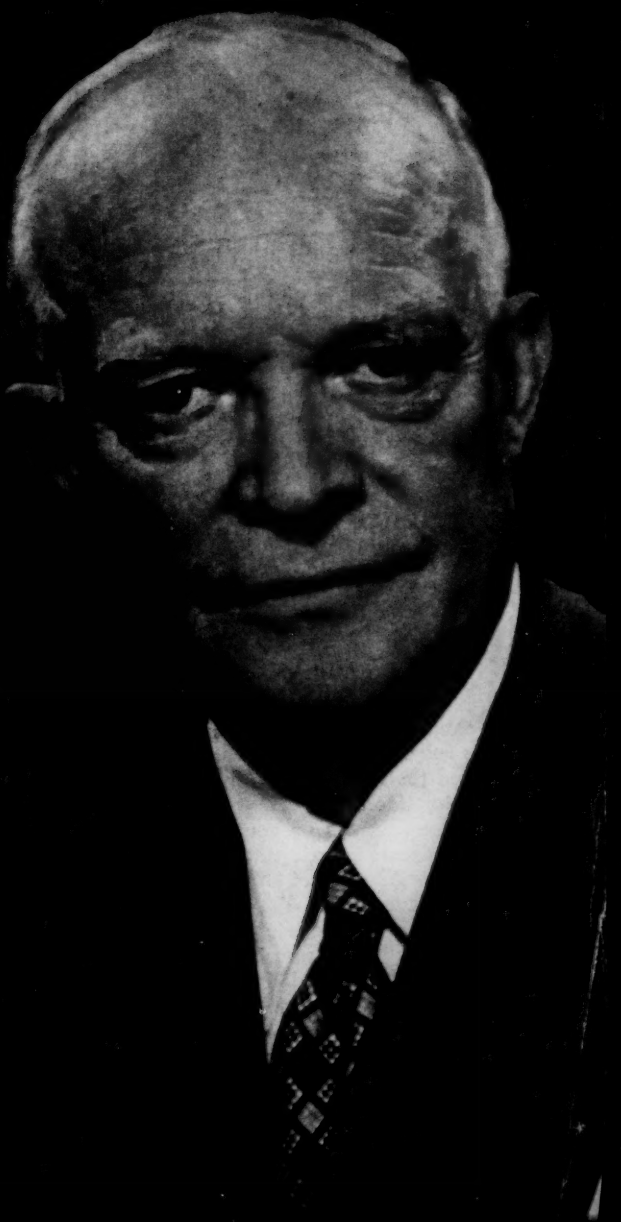
OCTOBER 7, 1955 20 CENTS

U.S. News & World Report

WHY BUSINESS IS JITTERY

HOW IKE'S HEALTH CHANGES OUTLOOK



Photograph by Vilas

One straw too many!

You can hardly blame this young man if he feels there are too many straws in his soda. Yet, if you are among the millions of people who have invested their savings in American business you are in much the same situation.

For the earnings on your investment are "siphoned off" by not one, but *two* income taxes. First, the income tax on every incorporated business takes 30 to 52 cents of each dollar of earnings. Then you pay a second income tax of 16% to 87% more on each dollar you receive in dividends.

When you invest savings in common stocks, you provide a large part of the funds for new businesses and for industrial expansion. The double taxation on dividend dollars cuts down on the investments which create new enterprises, more jobs, and a higher standard of living.

Taxes, of course, are necessary. Indeed, when fair and equitable, they are a small price for our freedom and the opportunities and privileges we have as Americans. For the sake of the future, however, let's be sure our tax policies are just and wise, and neither unfair nor shortsighted.

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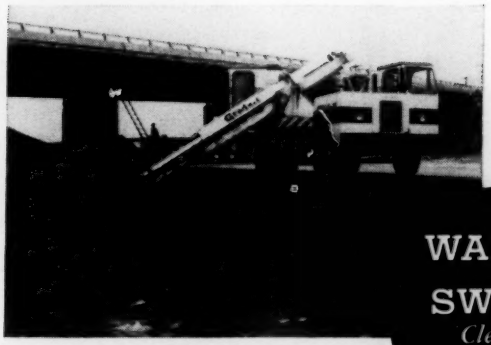
...something about a wolf in sheep's clothing?...

IF you were trying to get a burglar to reform, and had his promise, you'd probably relax enough to put your revolver in your pocket. But you wouldn't throw it away, much less "lend" him some of your bullets.

Every decent person and nation wants peace, and is willing to go far to secure it. But *secure* is the key word, not hope nor wish.

A great American a generation ago put it well: "Speak softly and carry a big stick," and the biggest effective stick is an *efficiently producing America.*



Gradall doing finishing work along turnpike. Gradall is a registered trade name.

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IN THIS ISSUE

★ What Really Happened To the President

Here is the whole story, documented from official sources. You get an hour-by-hour log of events from the day before Mr. Eisenhower's heart attack through the fateful days that followed, starting on page 66. Also: The Boston heart specialist who was flown in to treat the President tells just what the attack involved. Page 80.

★ Candidates for '56: The Prospects Now

For a look behind the scenes at who is favored to run as top Democrat, top Republican in 1956, see page 37. For the Republicans' chances of capturing Congress, see page 42.

★ Is There Something Wrong With U.S. Schools?

Two American educators, who have returned from a study of Russia's school system, tell in their own words just where the U. S. system falls down. Page 116.

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THE UNITED STATES NEWS

WORLD REPORT

U. S. WEEKLY
Three Titles Reg. U. S. Pat. Off.

Published weekly at Washington, D. C., Editorial and Executive Offices, the United States News Building, 24th & N Streets, N.W., Washington 7, D. C. Subscription rates, delivered prepaid, to United States, its possessions and Canada, $5 for one year, $8 for two years, $10 for three years. Postage to other countries $1 a year additional. Entered as second-class matter at the post office Washington, D.C., under the act of March 3, 1879.

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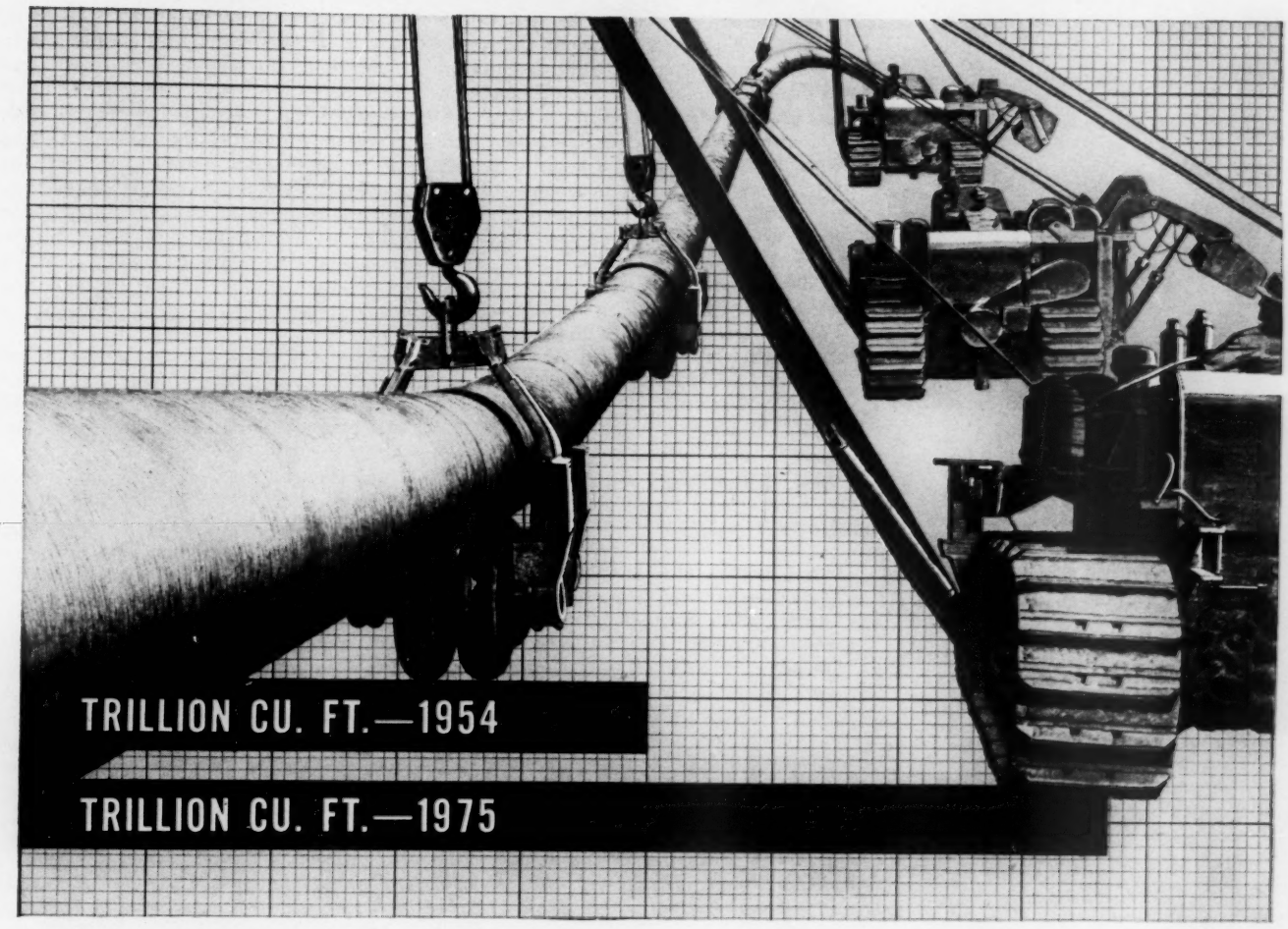
How much natural gas...in 1975?



A conservative estimate places consumption of natural gas in the United States in 1975 at *15 trillion cu. ft.—nearly double* last year's marketed production figure of 8.7 trillion cu. ft.*

This estimate suggests the possibilities of growth for corporations in all phases of the industry from producer to pipeline companies to distributing utilities.

Bank financing, which has helped the natural gas industry grow from a production rate of less than 2 trillion cu. ft. in 1930 to its present size, will continue to play an important part in tomorrow's expansion.

The knowledge and facilities of this Bank, with 171 years of experience, are geared to the banking needs of companies in the gas industry, as well as other segments of today's expanding economy.

*Estimate taken from *A Report to the President by The President's Materials Policy Commission*

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NEW YORK • TORONTO

The March of the News

POLIO RECEDES

With the coming of autumn, the number of new polio cases fell abruptly. The U. S. Public Health Service said it expected a steady decline until the incidence of the disease reaches a low level later in the year.

For the week ended Sept. 24, there were 1,606 new cases, a drop of 18 per cent below the 1,949 new cases of the preceding week. In the corresponding week of 1954, new cases totaling 2,343 were reported.

Comparison with last year showed what was considered a broad decline. For the "disease year" beginning April 1, the totals were: this year, 20,697 cases; last year, 24,788. For the calendar year, the drop was from 26,341 cases in 1954 to 21,760 in 1955.

MR. HOOVER ENDS A JOB

Former president Herbert Hoover finished up another job for the U. S. Government. The Commission on Organization of the Executive Branch of the Government, of which he was chairman, went out of existence last week.

The emphasis of the Commission's work was on economy, on saving the taxpayers' dollars. In keeping with that goal, the Commission saved some money itself. It returned $83,000 of authorized but unexpended funds to the Treasury.

In two years and three months, the Commission produced 314 recommendations for reorganizing the Government in the interest of efficiency and economy. Subcommittees, or "task forces," submitted 39 reports to Congress, totaling 3.3 million words. Of the recommendations, 145 could be made effective by administrative order, but the remainder require congressional action.

It was the second such commission that Mr. Hoover has headed.

CHANGING POPULATION

A census bureau checkup just made showed the age-group, racial and sex composition of the nation had changed since the 1950 census.

Children, older people and nonwhites are the fastest-growing segments of the population, the Bureau reported. In addition, the number of women continues to grow more rapidly than the number of men.

The number of children is increasing at twice the rate of the population as a whole. The total of youngsters under 5 rose 13.2 per cent. The number of children between 5 and 13 was up 26.8 per cent. Meanwhile there was a rise of 15.9 per cent in those over 65. One result was to reduce the average age of the population from 30.2 to 30.1 in 5 years, the first such drop within this century.

In 1950, the Bureau said, there were 99.2 males for every 100 females. In 5 years the proportion of males had dropped to 98.5. The increase in the white population was 9 per cent, as against 12.8 in the nonwhite group. Nonwhites, the report said, now comprise 10.8 per cent of the population, an increase of four tenths of 1 per cent.

JUNKETEERS' EXPENSES

A "secret" label is attached to the expense accounts of numerous Congressmen who have been traveling abroad at Government cost during the congressional recess.

As they return, touring Senators turn in their accounts to the Appropriations Committee. Committee aides promptly stamp them secret, asserting that this kind of information never has been made public in the past.

The expense accounts of House members, reported to the House Administration Committee, also are withheld from the public. This situation may change, however. Chairman Omar Burleson (Dem.), of Texas, says the veil of secrecy may be removed next year, but that any action is up to the Committee.

TOURIST SPENDING

American tourists abroad are spending a record number of dollars this year. In the first six months of 1955, the Commerce Department reported, they spent their money at an annual rate of 1.3 billion dollars, as compared with 1.1 billion in the first half of 1954.

WORKADAY ENGLISH

A campaign to make Government letters more understandable seems to be gaining headway. General Services Administration has been pushing the campaign with the distribution of more than 100,000 copies of a booklet, "Plain Letters," throughout the Government.

The booklet urges avoidance of gobbledygook and the use of such words as "finalize," "promulgate," "implement" and many more. GSA says results have been outstanding in some segments of the Government.

A by-product: Many letters have been shortened by one third, now are confined to a single page.

"We co-ordinate sales and production with Bell System communications"

says Mr. John L. McCaffrey, President of International Harvester

How modern communications help keep 35 parts depots and manufacturing plants working as an efficient team

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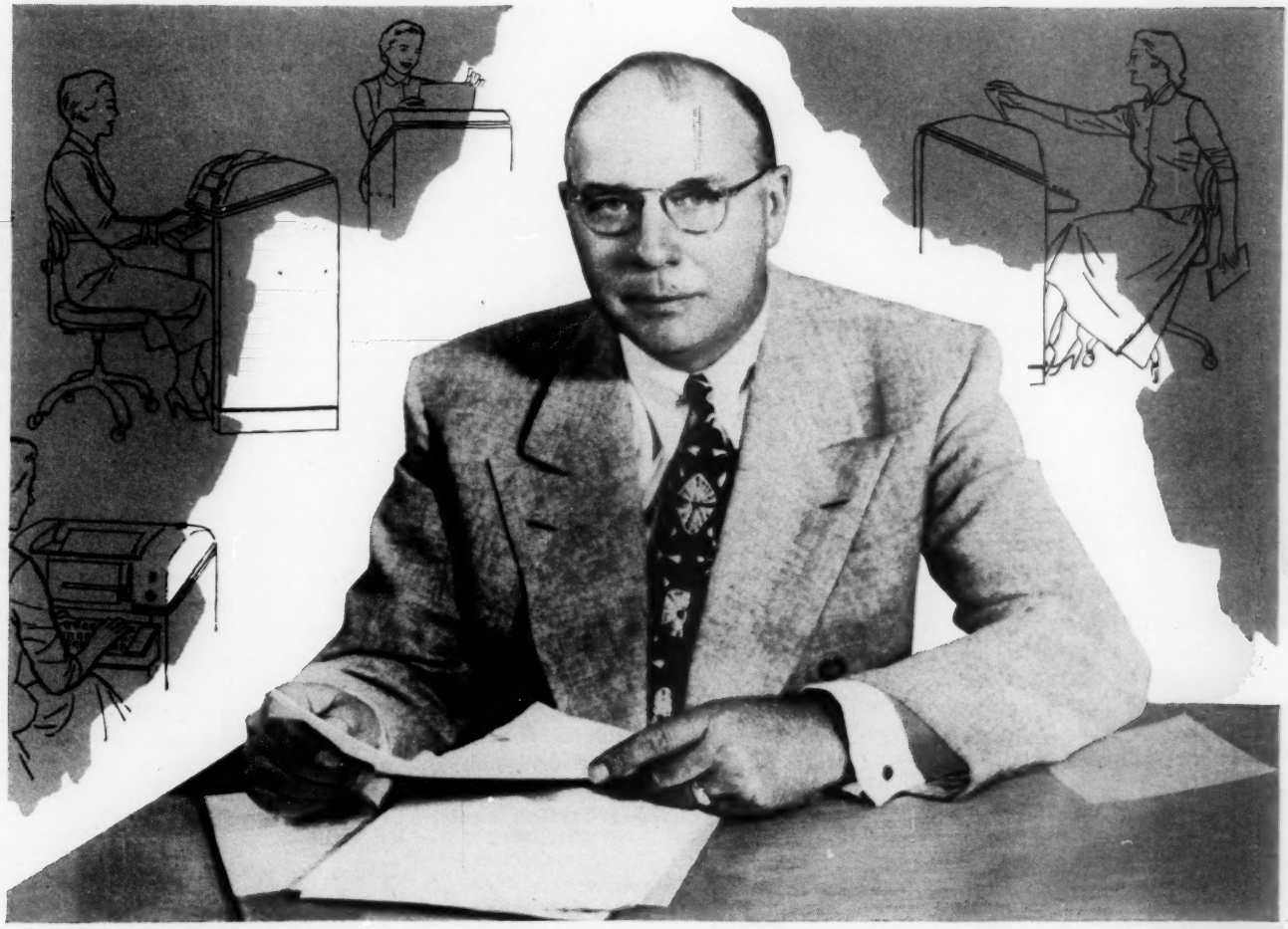

Radiating from the general office in Chicago, a network of private line telephone and teletypewriter services ties together 35 widespread parts depots and plants. The company can quickly marshal its forces to meet any problem that may arise, as well as keep routine work flowing smoothly.

"We co-ordinate sales and production with Bell System communications," says Mr. John L. McCaffrey, President. "Materials get to the right place at the right time because there is a continual flow of communications between sales and purchasing, engineering, production and shipping."

Has a survey been made recently of your company's communication needs? It may save you time and money. A Bell System communications engineer will be glad to do this without cost or obligation. Call your nearest Bell Telephone business office.

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[Items appearing on this page are reported in Washington and other news centers]

Gettysburg: Next White House . . . Dewey Likes Law . . . Adlai Meets Cool Wave . . . Malenkov A Heart Victim?

President Eisenhower is reported by close friends to give this political rating to individuals now mentioned for the 1956 Republican nomination: No. 1, Earl Warren, Chief Justice of the U. S.; No. 2, Richard Nixon, Vice President of the U. S.

★ ★ ★

Chief Justice Warren used the word "irrevocable" to describe his decision not to return to politics. Party politicians question whether a decision described in those terms can be reversed even under pressure from Mr. Eisenhower. There is also a widespread feeling among lawyers that Supreme Court Justices should stay aloof from politics.

★ ★ ★

Thomas Dewey, twice the Republican presidential nominee, is so committed to private practice of law, and is realizing income so large, that he isn't now considering a return to politics.

★ ★ ★

President Eisenhower will be moved from Denver to his farm at Gettysburg by mid-October or soon after. The Eisenhower farm is to become the temporary White House during the President's convalescence.

★ ★ ★

Adlai Stevenson, 1952 Democratic nominee, is meeting a cooler-than-expected response from the harder-boiled politicians of his party. It is far from a sure thing that Mr. Stevenson will be able to win nomination in 1956.

★ ★ ★

Leonard Hall, the Republican Party Chairman, already is getting suggestions that the 1956 Convention be moved to a date earlier than mid-August and that it be held in Chicago instead of San Francisco. One argument is that the difference between Pacific and Eastern time may reduce the television audience in big population centers.

Talk of Milton Eisenhower, Ike's brother, for the Republican nomination bumps into the fact that Milton Eisenhower during the height of New Deal days worked for Henry Wallace and was given an important job by Mr. Wallace, who was a leading New Dealer. In addition, the President's brother has few ties with political leaders.

★ ★ ★

Sherman Adams, chief of staff for the President, finds that his name is cropping up among those considered when the 1956 Republican nomination is talked about. Mr. Adams, a former Governor of New Hampshire, is greatly admired by President Eisenhower.

★ ★ ★

A number of key Government officials are taking it for granted that they will be leaving Washington in 16 months. Even if the next President is Republican, he will want to pick his own team of aides.

★ ★ ★

Lewis Strauss, Chairman of the Atomic Energy Commission, is making it clear that he intends to serve at least until his present term expires in 1958. There is nothing to the recurrent reports that Mr. Strauss is planning to resign.

★ ★ ★

T. Coleman Andrews, Commissioner of Internal Revenue, disagrees with some of his aides who have let drop the report that Mr. Andrews was expecting to return soon to his private business. The country's No. 1 tax collector insists that he is going on collecting taxes for a good while.

★ ★ ★

Georgi Malenkov, Stalin's first successor, is pictured by German officials who recently visited Moscow as a very sick man with a short time to live. Malenkov is said to be suffering from heart disease of a debilitating sort.

General Alfred Gruenther, Supreme Allied Commander Europe, is far from happy about the present condition of his Allied military setup. Instead of building their strength, members of the North Atlantic Treaty Organization are found to be whittling down and talking about more cuts to be made in the future.

★ ★ ★

Konrad Adenauer, West Germany's Chancellor, is listening more and more to advisers who want to deal directly with Soviet leaders and to put less stress on friendship with the United States and on future ties with NATO. The American position in Europe, as a result of the "spirit of Geneva," is pictured as being far less strong than it was before Ike's meeting with the Russians.

★ ★ ★

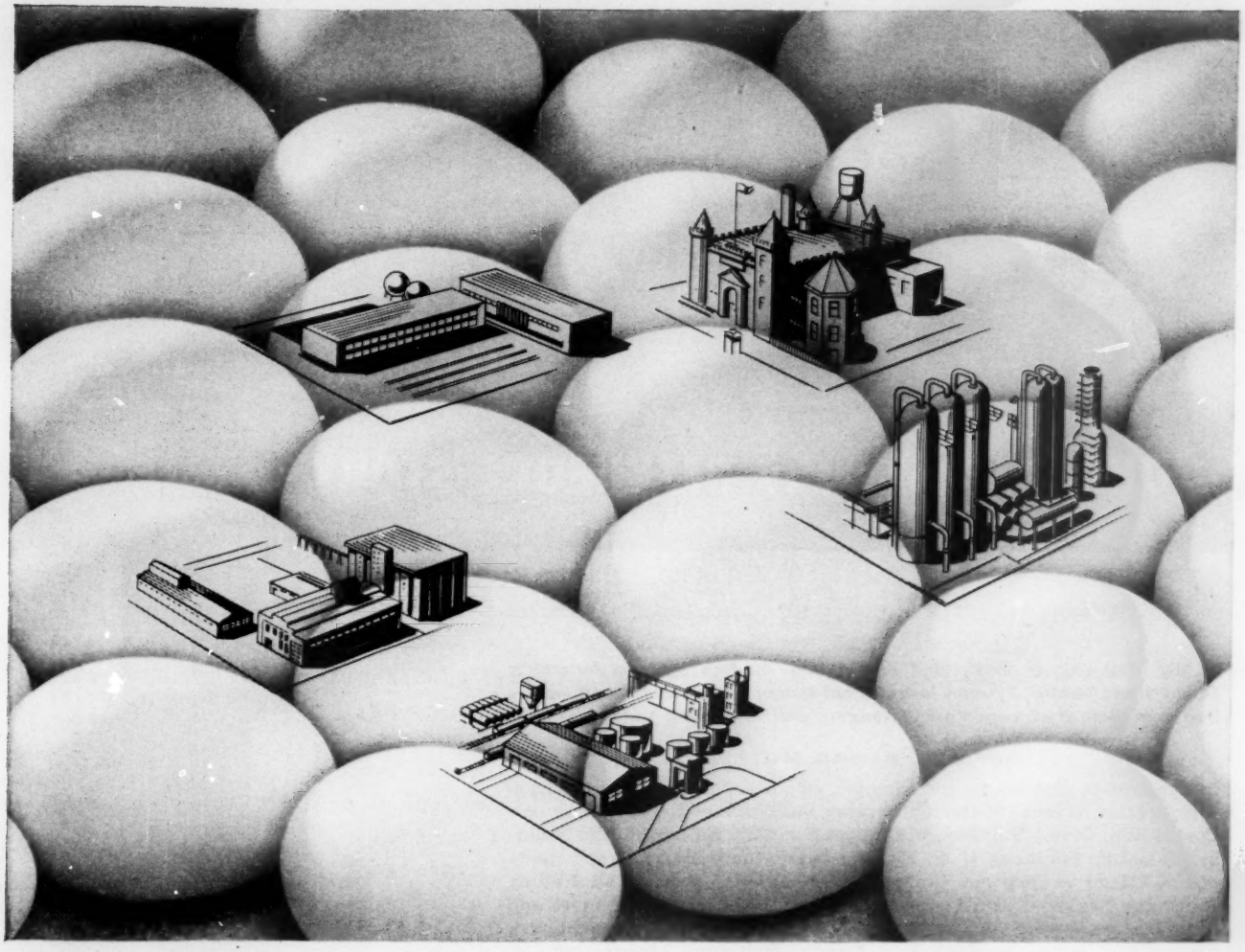
American military leaders, with world strategy to consider, are increasingly worried about the attitude of both British and French political leaders. A great urge to deal with the Russians is reported to be developing since the Geneva Conference, with the Soviet Union in a position to play the British, French and Germans off against one another.

★ ★ ★

John Foster Dulles, Secretary of State, was quick to try to get off the political hook on which he found himself as a result of announcement that this country was not averse to selling arms to the Egyptians. An arms deal of this kind would be full of political dynamite, even if the alternative is Russian arms for the Egyptians.

★ ★ ★

A promise of 60 MIG jet fighters, plus heavy artillery and tanks, has been made to Colonel Nasser, strong man of Egypt, by the Soviet Union. Weapons would be given free and accompanied by technicians. Egyptians are not very competent when it comes to servicing aircraft.



How many baskets for corporate eggs?

Cervantes' wise counsel against venturing all your eggs in one basket may be as well applied to a large company as to an individual. That's why National Distillers' management began a diligent search for additional, promising "baskets" for its capital funds back in 1949.

Their choice: the fast-growing industrial chemical industry . . . for which previous experience well suited the company.

First step—a sodium and chlorine plant completed at Ashtabula, Ohio, in 1950.

The following year U. S. Industrial Chemicals Co., Inc.—now National's U. S. I. Division, managing all chemical operations — was acquired by merger.

In 1952, two sulfuric acid plants and a caustic soda plant were acquired. Then, at Tuscola, Ill. in 1953, came giant National Petro-Chemicals Corporation, 60% owned by National Distillers, with such products as propane, butane, ethyl chloride and industrial alcohol.

Late in 1954 a new ammonia plant at Tuscola began producing raw material for nitrogen fertilizers. It was followed early in 1955 by Petro's polyethylene plant now making the wonder plastic used for such diverse products as food packaging, radar equipment, toys and flexible pipe.

National Distillers expects to continue its orderly expansion in related chemical fields when careful scientific and marketing research indicate that promising potentials exist. At the same time, the Beverage Division's famous brands of liquors continue to gain a greater share of the alcoholic beverage market.

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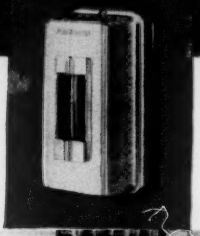
JOHNSON tells the BALTIMORE STORY



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A LOOK AHEAD

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Eisenhower, after recovery, is very unlikely to run again. Warren, Chief Justice and Ike's first choice, seems to have closed the door to draft.

Dewey, twice nominated, is out of it. Knowland lacks Ike's backing.

Nixon, Vice President and getting a build-up, has a big head start. As of now, barring shifts not foreseeable at this point, it's to be Nixon.

Stevenson is the probable Democratic nominee. Harriman is not clicking with leaders outside New York. Kefauver is opposed by party leaders. Russell, from Georgia, seems blocked by Democratic need for the Northern Negro vote.

Stevenson is in line to be picked for a second try.

Probable contestants: Dick vs. Adlai. Probable outcome: It's a toss-up.

Nixon, 42 years old now, would be just 44 on taking office. TR, Roosevelt the first, was 42 when he inherited the office. FDR, Democratic Roosevelt, was 50 when he first won election. He was physically handicapped.

Stevenson, 55 now, will be 56 in February. Stevenson's health: two kidney-stone operations and a bout with pneumonia since June, 1952. Harriman will be 64 next month. Kefauver, 52 now, would be 53 in July, 1956.

Eisenhower's age: to be 65 on October 14. Illnesses: Bursitis, quite chronic. Infrequent colds. Severe attack in 1949 diagnosed as an attack of gastroenteritis. Occasional stomach upsets when very tense.

Previous heart attacks? All of the doctors insist not. High blood pressure? The doctors insist not, describe these reports as "false."

What was the trouble, then? Probably 27 holes of golf in one day at a rather high altitude, plus practice drives. Too much exertion when not in real condition. Despite contrary reports, except when tanned, Ike did not appear to be as robust as often pictured. Age showed a bit.

Ike, well, meant political stability to 1961. Eisenhower in the White House seemed to generate confidence. Ike, ill, means uncertainty to 1957.

Assurance gives way to some doubt; confidence to uncertainty.

Wait and see will tend to be the attitude for many. Prospect of change at the center of power in the world's most powerful nation raises questions.

Eisenhower, recovering, will try to remove doubts, quiet worries.

Peace will continue to be the goal of foreign policy. Dealing will go on with Soviet leaders. Disarmament will continue to be talked. Incidents will be avoided, or played down if they do occur.

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Prosperity will be stressed more than ever. Brakes on prosperity, put on recently, are likely to be eased earlier, and to a greater degree, than if Eisenhower had not suffered a heart attack.

Peace and prosperity will remain the Republican goal for 1956; will be the platform for the coming election if they can be assured.

Tax cuts will be bigger than had seemed likely, probably will come earlier. Taxpayers, lower bracket in particular, will be appealed to by both parties.

Budget balance, in an election year, will seem less important.

Farmers, to be wooed more strongly than ever, can expect something new or something bigger in the way of subsidies. Farm vote is vital to the party now in power. It will be sought strongly by the party out of power.

Installment credit, other credit--tightened a little, due for a bit more tightening before Ike's illness--are likely to be loosened if a pinch really starts. Republicans will try to take no chances on upsetting prosperity.

You've noticed how quickly word was put out that arms spending was to run higher than originally planned. That signaled: (1) a readiness to accept an unbalanced budget rather than make deeper arms cuts; (2) a desire to let businessmen know that Government spending would remain high.

Businessmen, inclined to hesitate a bit, will be under pressure to go ahead as if nothing had happened. Business spending, investment in inventory and in new plant and equipment, is highly important to future prosperity.

Business, wanting a friendly Government, will be told that it can best assure that kind of Government when times are good. An urge to hesitate, to wait and see, will be offset by an urge to avoid a brake on prosperity.

Outlook is this: Boom top will be reached in late 1955 or early 1956. Leveling out, or mild decline, will be probable for late spring and summer of 1956. After that, the trend up or down will relate closely to policies that business follows toward inventories and new investment.

Chances are that uncertainties of politics will give business a little softer tone in late 1956 than would have been the case with Ike running.

At worst: 1956 is likely to average out about as good as 1955. It had been lining up to be a better year than this year. Longer range: Much will depend upon the election outcome, upon tax and other policies to be applied during and after 1957. Businessmen seem very sensitive to politics, to the chance that a Democratic Administration might revert to New Deal policies.

Investors, too, appear highly sensitive to uncertainty. Stock-market break reflected judgment of people with money that political change might lie ahead. That's a new element, a cause to pull back, to take a new look.

Bull market in stocks may push on ahead. Nobody can be sure. But a new element of uncertainty now will enter all calculations, influencing the decisions of many investors. Confidence has taken a mild jolt.

Sherman Adams, White House staff chief, is acting President in effect. His are the day-to-day decisions on operation. Humphrey, Treasury Secretary; Dulles, State Secretary; Wilson, Defense Secretary, are the Big Three on broad policy, the ones setting the course. Ike still makes biggest decisions.

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®

OF THE WEEK

› ANOTHER AILING LEADER who made recovery toward good health last week was the British Prime Minister, victor in a bout with influenza.

A long-time friend of President Eisenhower, **Sir Anthony Eden** two years ago, when he was Foreign Secretary, also was stricken with a malady that all but ended his career. Yet he recovered to head the Government as successor to Sir Winston Churchill.

The British leader had long been a victim of jaundice, an illness that forced him to take frequent leaves. On April 12, 1953, London doctors operated to remove gallstones. Seventeen days later a second operation was performed. His condition remained so serious, however, that his physicians advised him to go to the U. S. for a third—and more dangerous—operation.

Discouraged, in great pain, Sir Anthony said: "There are no half measures about it now. You're either getting all right or you go under."

The critical operation to remove a bile-duct obstruction was performed early in June, 1953, in Boston, by a famous American surgeon, Dr. Richard B. Cattell. It was six months before Sir Anthony recovered sufficiently to resume his Cabinet duties.

› A KEY FIGURE in the big story at the busiest news center in the world last week was **Murray Snyder,** acting White House Press Secretary and veteran of 20 years of newspaper reporting. It was he who conveyed the word that President Eisenhower had suffered a "mild digestive upset," later relayed the fact that actually it was a heart attack.

The secretary's startling announcement transformed the Denver press center—previously the quiet birthplace of stories about the President's golfing and fishing vacation—into a bedlam of activity. More than 100 reporters, photographers, radio and TV correspondents squeezed into the press headquarters—a narrow room in the administration building at Lowry Air Force Base. Some, unable to get rooms in Denver hotels, slept on cots beside their typewriters.

Mr. Snyder was chief political writer for the New York *Herald Tribune* when he joined the Administration on the eve of Mr. Eisenhower's inauguration. Previously, he had worked on newspapers in San Antonio, Tex., Brooklyn and New York. He is a close friend of Press Secretary James C. Hagerty, who cut short a vacation, flew to Denver, took over as White House spokesman.

› LEONARD W. HALL, outwardly calm and confident, faced the prospect last week of revising completely the Republican Party's presidential-campaign plans for 1956.

Up to the moment of the ominous bulletin from Denver on the President's illness, the Republican National Chairman had been bubbling with optimism over the party's prospects for next autumn. He expected that Mr. Eisenhower would run again; that the 1956 elections would result in a Republican victory of landslide proportions. With news of the Chief Executive's heart attack, Mr. Hall kept his chin up, said no changes were planned at this time in campaign organization and strategy.

The Republican Chairman came up through the ranks, starting as a precinct worker in his home town of Oyster Bay, N.Y. He served in the New York State Legislature and seven terms as a Representative in Congress. He was elected to a $30,000 judgeship in 1953, gave that up to get back into harness as top Republican campaigner.

Party leaders like his work. Recently, the 48 State chairmen voted the 50-year-old Mr. Hall "the best" national leader in the party's 100-year history.

› U. S. TROUBLE SHOOTER off to the Middle East on a hurry-up trip is **George V. Allen,** a 25-year veteran of the diplomatic service. He has the unwieldy title of Assistant Secretary of State for Near Eastern, South Asian and African affairs, has lived and worked many years in those areas.

Mr. Allen's mission: persuade Egypt to abandon a plan to stock up with weapons and ammunition bought from Communist Russia and Czechoslovakia in a guns-for-cotton deal. The fear in

(Continued on page 14)

—Wide World, Harris & Ewing

MURRAY SNYDER, WITH PAPERS

LEONARD W. HALL, WITH REPORTERS

. . . in Denver, questions about Ike's health; in Washington, about Republican plans

NEW! . . . from

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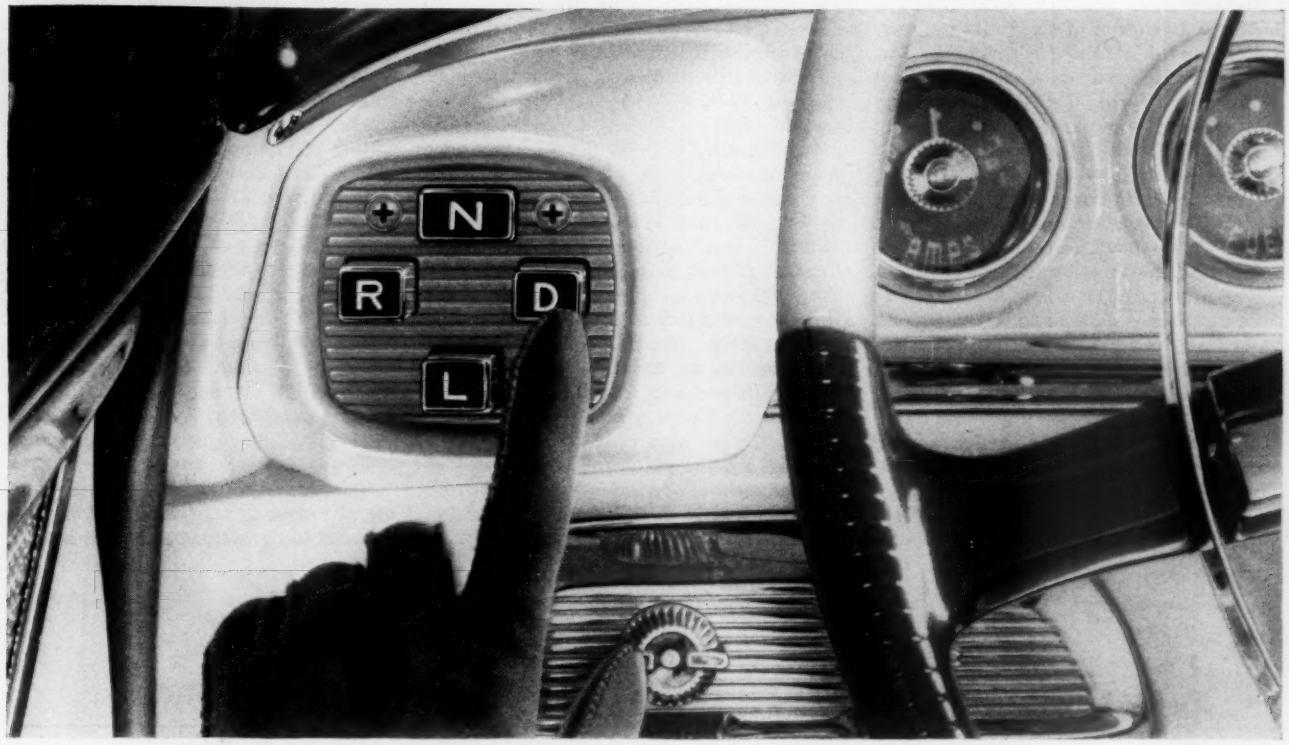

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Just think! You can now select your driving range with a touch of your finger to a button on the dash at your left — where only *you* can touch it.

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Tops in TV Drama—"Climax!"—CBS-TV, Thursdays

Washington was that an armaments race started in Cairo might spread to other Arab countries and to Israel; might touch off a renewal of the Palestine war.

A graduate of Duke University, Mr. Allen's first job was as a country-school teacher in North Carolina. He later worked as a newspaper reporter before joining the State Department's Foreign Service in 1930, has been on the move around the world most of the time since.

Mr. Allen was Ambassador to Iran in 1947, when the Communists tried to swing that country into the Red orbit. His assurances of U. S. support helped to stiffen Iranian resistance to Red demands. Later assignments took him to Yugoslavia and India as U. S. envoy in times of world crises. He is 51.

› **TOP MILITARY MAN** in Britain has been sent to Cyprus to try to bring "stability and security" to that troubled island in the Eastern Mediterranean. **Field Marshal Sir John Harding** gave up his post of Imperial Chief of Staff, will serve in the dual role of Governor and commander of British forces on Cyprus.

Prized by the British as a military base since they first occupied it with Turkish permission in 1878, this crown colony is claimed by Greece. Turkey wants it to remain British. Most Cypriots favor switching allegiance to the Athens Government, four fifths of the half-million population being of Greek descent.

Field Marshal Harding, 59, is one of Britain's most distinguished soldiers. A former enlisted man, he rose steadily in the ranks, won his greatest fame as tank-brigade commander of the Eighth Army's "Desert Rats," who stopped the Germans and Italians at El Alamein, in Egypt, chased them back into Tripoli—turning point of the North African campaign.

The British also credit Sir John with drawing up the plans for the capture of Rome without serious damage to the ancient city. He later commanded British occupation forces in Germany.

› **CIVIL-SERVICE CHIEF** gave inquiring Senators these figures on the number of federal employes separated from the Government for security reasons: 3,586 fired; 5,684 resigned. **Philip Young,** Chairman of the Civil Service Commission, said the total of 9,270 had been lopped off the federal payroll in a 25-month period ending last June 30.

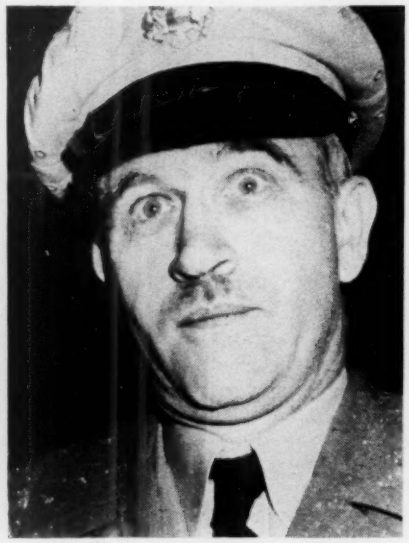
The Civil Service head, son of industrialist Owen D. Young, worked under Democratic Administrations for 10 years, made no secret of the fact that he was a Republican. During part of World War II he assisted the late Harry Hopkins in running the Lend-Lease program. He returned to Washington from Columbia University, where he had been dean of the Business School.

Mr. Young keeps a check on 2.3 million federal civilian workers. He rejects Democratic complaints that his report is a "numbers game"; says the security firings are put on a "statistical-reporting basis" because Congress wants it that way.

THREE WHO KEEP WATCH ON PRESIDENT'S HEARTBEAT

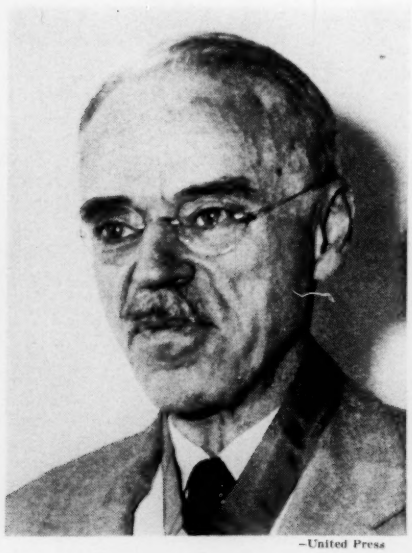
—Wide World

› **MAJ. GEN. HOWARD McC. SNYDER** and President Eisenhower have a close personal friendship born of long Army association. Whether it's politics or painting, if the President has a problem he often discusses it with his doctor, welcomes his advice. General Snyder, 74, specialized in tropical medicine during much of his Army career, has been at Ike's side almost constantly since 1945.



—Wide World

› **COL. THOMAS W. MATTINGLY** is a heart specialist at Walter Reed Army Hospital, in Washington, D. C. He gives the President his annual, routine physical checkups. Colonel Mattingly entered the Army in 1935, served in New Guinea and the Philippines. He will be 49 in January. Said one medical colleague: "Anyone in Tom Mattingly's care can consider himself in the best hands."



—United Press

› **DR. PAUL D. WHITE** has treated 12,000 heart cases since he pioneered as a specialist on coronary thrombosis 34 years ago. At 69, he cuts his own lawn, changes the storm windows at his home in Belmont, Mass. He sees the heart as a "strong, tough muscle" that can endure great physical strain. He believes the President is too heavy, wants to cut down on his calories.

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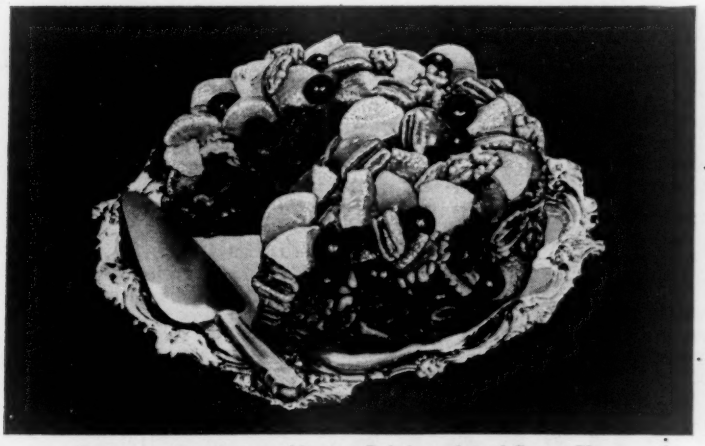

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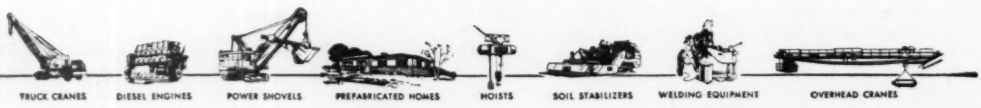

HOW IKE'S HEALTH CHANGES THE OUTLOOK

Politics Muddled... Caution in Business... Peace Drive Goes On

Changes appear now in the outlook for nearly everything. Prospects are these:

• Politics suddenly is to be forced into the open, far ahead of schedule.

• Pressure will be on to ease credit controls, plan big tax cuts.

• Business will re-examine its expansion plans, investors will become more cautious.

• Scramble will be on in Congress to please farmers, raise farm prices.

• Policies affecting business, at home and abroad, are to come under new pressures.

Only at the immediate center of Government will there be no change, as Ike stays on.

Illness of President Eisenhower is to change the whole course of events that lie ahead at home and abroad.

With the President in good health, politics was in the doldrums. It was taken for granted that Mr. Eisenhower again would be nominated as the Republican candidate for the Presidency and that he would win.

There was a feeling of stability in the air. Businessmen, confident of friendly policies in Government, pushed ahead with plans for expansion. Optimism in the stock market and among people generally was so strong that Government felt it necessary to apply restraints on borrowing to buy houses, cars and other products.

A continued search for peace was taken for granted.

The farm problem, it was true, had come back in a form that worried those in public office. There was some continued irritation over the draft. But, by and large, in this country and abroad, the feeling had been one of optimism over the prospect for peace, prosperity and political stability.

This period of calm and confidence seemed to be related in people's minds to President Eisenhower personally. There was widespread trust at home and abroad in the man who headed the world's most powerful nation. Mr. Eisenhower came to typify the moderate, sensible approach that seemed to prevail in Government, in business, in world affairs.

Now, all that is changed.

A clot, appearing in an artery and blocking a portion of Mr. Eisenhower's heart, suddenly raised questions. There was the overnight prospect of change, of uncertainty about the future.

More About the President

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What now would happen to negotiations to end the "cold war"? What of the shifting of power inside the Government of the United States? Would there be a new President, in effect? How about the future of business and of employment? Who now might occupy the White House after 1956?

It took only a few days for the following to become clear:

• President Eisenhower, politicians quickly agreed in private, will not accept a second nomination, even if tendered him. The Presidency is described as the kind of job which a person with heart trouble definitely is not prepared physically to fill.

• Mr. Eisenhower, at the same time, will not resign, barring a recurrence of heart trouble that would make it impossible for him to fulfill his constitutional duties.

• The President intends to relinquish no authority that goes with his office so long as he is capable of exercising that authority. It quickly was clear that Mr. Eisenhower's mind and will power are as strong as ever and that, barring accident, after relatively few weeks he will be strong enough to carry on most of the required duties that go with the office.

Meaning to politics. At the center of Government, in other

words, immediate change is not to be looked for. It is made clear, though, that there will be a new President after Jan. 20, 1957.

This fact is letting loose political forces that politicians had expected to be pent up until mid-1956. Politics, in very active form, suddenly was forced into the open, far ahead of schedule. This was true in both the Democratic and the Republican parties.

Leaders among Democrats, who had taken for granted an Eisenhower candidacy in 1956, were aiming their strategy primarily at keeping control of Congress. This group was more or less reconciled to loss of the White House. Now that strategy has shifted to an attempt to control the whole machinery of the Federal Government.

Republicans had been building their strategy around a second term for President Eisenhower, depending upon him to carry the party into control of Congress. Now they are suddenly confronted with the task of finding another candidate.

Uncertainty in politics is a definite prospect for the year ahead.

Impact on business. Along with political uncertainty is to go some uncertainty concerning policies of Government that affect business. The Republican Administration—still in power—will be under great pressure to follow policies aimed at making sure the boom in business will keep going. Controls over money, which had been tightened in recent months in a move to slow the boom, may be loosened earlier and to a greater degree than had seemed probable. Tax cuts that might have been resisted by the White House may have a greater chance of acceptance in 1956, regardless of the long-range effect on the federal budget.

To win in 1956, Republicans will want to make sure that they can campaign on a platform of "peace and prosperity."

The broad outlook for business is related rather closely to the reaction of businessmen and of investors to the political uncertainty that is now in the picture. Businessmen, who often feel that they fare best when Republicans are in power, may be inclined to counter the new uncertainty about the future with a strong wish to avoid a political overturn in 1956. Republican leaders are counting on this. They expect that industry will push ahead, without hesitation, on plans for large investment in new plant and equipment.

If business plans for expansion are carried out, and if tax cuts are larger than once planned and borrowing is made easier, then the forces for inflation will get a new lift. In that case the year ahead is likely to be at least as good as 1955 and maybe a trifle better.

However, if businessmen adopt a "wait and see" attitude and hold back their commitments, then 1956 may be a less favorable year than had been indicated. In any case, the year 1956 is to be a good business year by any standards, approaching or equaling the 1955 record for the year as a whole.

Investors are very likely to exercise more caution. The rampaging bull market appears to have been considerably quieted by the President's illness. The buoyant market, in fact, has been attributed largely to the wide confidence in Mr. Eisenhower and his policies.

It is in the field of Government policies that the more important changes can be expected.

Prospects for tax cuts. President Eisenhower has been prepared to resist important reductions in taxes unless a surplus was promised in the budget that would permit tax cuts without bringing back a deficit. But White House influence on policy in Congress will be reduced, either by the inactivity of the President or by the knowledge that, in the 1956 elections, it may be every man for himself. Republicans no longer can run on the promise of support for Eisenhower.

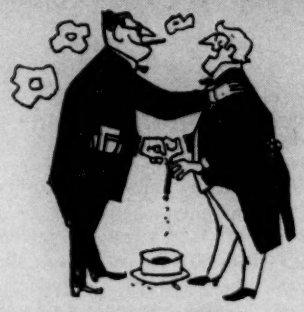
The President's veto power will remain, but still it is probable that tax cuts will be voted that will take effect at an earlier date and be larger than had been expected. There will be heavy pressure on members of Congress to appeal to large groups of voters, and few political appeals carry more weight than tax reductions. It is likely that cuts will bring tax relief both to lower income groups and those in the higher brackets. But it is doubtful that corporations can count on much, if any, relief.

Aid to farmers. Much the same situation is in prospect for farmers. There will be a scramble in Congress to please the farm population. Democrats already are on record as favoring more farm aid. Republican candidates, uncertain about 1956, will be under pressure to be at least as generous. Farm groups, whose votes could be decisive in some areas, now are grumbling. They object to having farm prices go down while labor gets wage raises and business is enjoying record profits.

The trend is toward some form of price fixing with accompanying control over the number of acres that can be planted in price-supported crops. There is a lot of agitation for going back to the wartime policy of supporting farm prices at 90 per cent of "parity." The Administration opposes high price supports and the President might use his veto in this field, too. But there is doubt a veto can prevent some form of increased farm aid, such

(Continued on page 20)

CHANGES



FOR POLITICIANS:

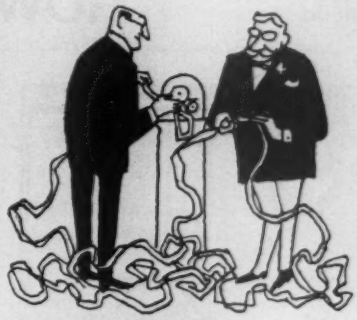
The scramble will start for position and preferment. From now on it will be every man for himself in both political parties. Gone will be the easy assumption that the 1956 outcome can be taken for granted.

FOR PEOPLE GENERALLY:

Politics will take on more importance. There will be new uncertainty about the kind of Government that will run the country after 1956, about the future of the boom.

FOR BUSINESSMEN:

An air of caution will be noted. Before the Eisenhower illness, warnings against overexuberance were being heard. But now there will be question whether the "business" Administration in Washington will be permanent.



FOR INVESTORS:

Possible changes in Government policies, changes in business climate will have to be considered. Bull market has rested in part upon confidence that Eisenhower Administration would continue to 1961. Uncertainty now creeps in.

FOR STATESMEN:

There will be some uncertainty about the direction of U.S. foreign policy after 1956. Through 1956, there will be no slowing in the Eisenhower search for a basis of peace with the Soviet Union.

FOR TAXPAYERS:

The prospect for larger tax cuts in 1956 than planned by the Eisenhower Administration will grow brighter.

Political uncertainty will add to pressure for concessions to taxpayers in election year ahead, regardless of budget troubles.

FOR FARMERS:

Political parties will bid high for the farm vote. Troubles of the farmer will get more and more attention. The prospect for new Government action to support farm income will increase.

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[continued]

HOW IKE'S HEALTH CHANGES OUTLOOK

—Sandenson in the Fort Wayne News-Sentinel

"WELL-WISHERS"

—Herblock in the Washington Post and Times Herald

"THE MOUNTAINS AROUND DENVER"

Out of solicitude, political uncertainty

as direct payments for taking land out of production.

New power for Congress. The White House, with the President on the side lines and not running for re-election, is likely to exercise less influence on Congress all along the line. Congress, in fact, probably will gain power when it comes to setting domestic policy.

Then, too, there will be the urge in Congress to make political hay in an election year. The relative harmony that prevailed in the last session of Congress, when few dared to challenge the President's leadership, will be considerably weakened at the forthcoming session. Pressure will mount to push such legislation as more liberal benefits for retired people, more reclamation and power projects, highway programs and atomic developments, more generous relief for areas stricken by disasters.

The "Eisenhower program," which called for financial caution along with expanded programs for highways, health and education, more liberal foreign trade, is expected to lose much of its appeal. Democrats in Congress were preparing to oppose the President anyway in the next session. Now their opposition to a Republican program handed down from the White House is likely to increase. And, in the next session, a Democratic majority controls both houses.

World affairs. Big changes also may come in this country's dealings with other nations.

Mr. Eisenhower established himself as the outstanding leader of the non-Communist world at the "summit conference" in Geneva last summer. To him went much of the credit for bringing about a more peaceful atmosphere in world affairs. A change in this situation also is likely to arise as a result of the President's health.

The drive to establish a more genuine peace will go forward through next year. At the coming conference of foreign ministers at Geneva, John Foster Dulles, Secretary of State, will push the Eisenhower policies calling for some form of international arms inspection, atoms for peace, some kind of agreement on Germany and the Far East. But the Eisenhower presence in the background is likely to lose some of its force.

Soviet leaders, for example, gave at least surface indication that they could deal with Mr. Eisenhower and perhaps make settlements on terms that both could find acceptable. Secretary Dulles, however, seems never to have received even the surface appearance of friendliness that was given to Mr. Eisenhower. Soviet officials also can be expected to realize that the Eisenhower-Dulles policy may not continue for as long as they once thought it would.

Changes also may come in this country's relations with Britain, France and other allies. There have been strains among allies in the past, there are strains at present, as in North Africa, and strains are to be expected in the future. Added to these strains now will be uncertainty about American world policy after 1956, with a new President about to take over.

Mr. Eisenhower's heart attack, in fact, served to point up quite definitely the important role he was playing in domestic and world affairs. He plans to continue in that role from Denver, as the presence there of Sherman Adams, Assistant to the President, and James C. Hagerty, Press Secretary, demonstrates. But the prospect of retirement at the end of 1956 already is bringing unexpected changes. The American people have been given an example of how important the health of a President actually is.

—Wide World

IKE'S PRESS SECRETARY MEETS NEWSMEN

. . . on Mr. Hagerty's words hung the plans of many

WHY BUSINESS IS JITTERY

Many Uncertainties—But Prospects Still Good

A top to the business boom becomes quite probable in 1956.

Official policy has been to slow down the boom. Business reaction to the President's illness now makes a mild easing likely in any event.

Long-term growth is not affected. But the immediate picture is not as clear as you might suppose from some reassuring statements. Here is why.

The outlook for business during the next 12 months is changed because of new political uncertainties—result of President Eisenhower's illness.

As it shapes up now, the prospect is for something like this:

- For the rest of 1955, business activity will rise, setting new highs. There is momentum to the boom that will not be checked immediately. Retailers are awaiting the biggest Christmas shopping season ever. Auto manufacturers expect sales of new-model cars to get off to a fast start. Factories and mines will do a record business. Jobs will be plentiful.
- The early months of 1956 are to see the top of the present boom. Those who shape Government policies are trying to keep the boom from running away, to slow it down. The prospect is that this aim will be achieved early next year. Already there are signs pointing that way.
- By mid-1956, activity is likely to ease in a number of lines. Fewer contracts are being placed today for new building; this means construction will be reduced as 1956 wears on and existing projects are completed. Restraints now being applied to credit will develop a braking effect on sales of houses, and possibly of autos and other consumer goods.
- Later 1956, with the election at hand, becomes a period of real uncertainty. Businessmen, planning future investments, may decide on delay. Official policy calls for tax cuts and easing of credit restraints to produce an upturn in business by autumn. But there will be dispute over these Government moves.

Businessmen, whose attitude is of major importance in the economy, have been confident that President Eisenhower would accept nomination for a second term and would win. They looked ahead to relative stability on the political front, at least until late 1960.

Uncertainties. Instead of five more years with a President known and liked, there may be only one more year under Mr. Eisenhower's Administration, followed by four years under a new President—possibly some Democrat.

Whether rightly or wrongly, a large proportion of business leaders have come to feel that Democratic Administrations are unfriendly.

Jitters, already apparent, are founded in differences such as these between the two parties:

- Republicans have changed tax rules to help companies and investors, especially by the tax credit on dividends and more liberal allowance for depreciation. Prominent Democrats have opposed those changes.
- Republicans have given sympathetic ear to businessmen and often follow their views. Democrats have been more inclined to give ear to labor leaders.
- Republicans have relied on indirect methods to influence business activity—mainly supervision of credit and money. Democrats tried direct methods—price controls, Government ownership, regulation—which businessmen dislike.
- Republicans have tried to build up public faith in business. Democrats often have singled out business for criticism. So the possibility of a Democratic victory is enough to arouse misgivings among executives and cause at least some of them, before making decisions, to wait and see what political changes are in store.

Purchases of materials by industry could be slowed. The buildup of inventories, now going on, can be expected to end sooner than it would in a time of widespread confidence. Some new plans

Businessmen's New Worry:

WILL GAINS UNDER EISENHOWER BE LOST?

Changes since January, 1953, when President Eisenhower took office —

TOTAL OUTPUT of goods and services *(gross national product)*	**UP 6%**
PRODUCTION in factories and mines	**UP 4%**
CONSTRUCTION	**UP 19%**
BUSINESS INVESTMENT in plant and equipment	**UP 4%**
HOUSING STARTS	**UP 18%**
EMPLOYMENT	**UP 2%**
PERSONAL INCOME after taxes	**UP 8%**
DIVIDENDS	**UP 18%**
CORPORATE PROFITS after taxes	**UP 15%**
STOCK PRICES *(industrial average to Sept. 23, 1955)*	**UP 68%**
PRIVATE CREDIT	**UP 15%**

NOTE: all figures allow for normal seasonal variations.

Source: FRB, Dept. of Commerce and Dept. of Labor

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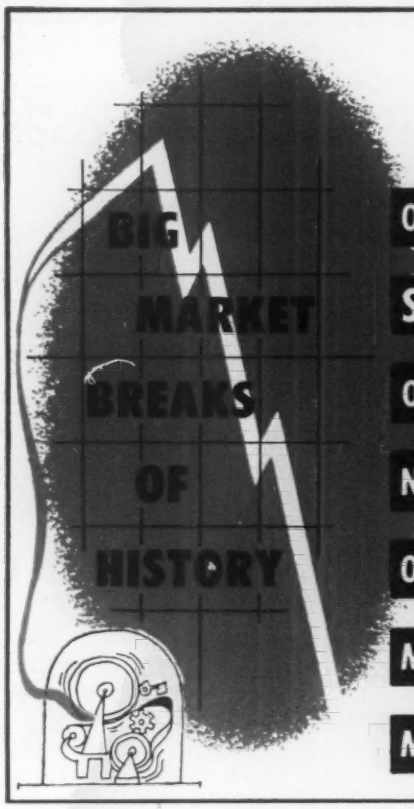

	Industrial Stocks (Dow-Jones Average)		
	Day before	End of the day	CHANGE
Oct. 28, 1929	298.97	260.64	DOWN 38.33 points
SEPT. 26, 1955	487.45	455.56	DOWN 31.89 points
Oct. 29, 1929	260.64	230.07	DOWN 30.57 points
Nov. 6, 1929	257.68	232.13	DOWN 25.55 points
Oct. 18, 1937	136.30	125.73	DOWN 10.57 points
May 14, 1940	137.63	128.27	DOWN 9.36 points
May 21, 1940	122.43	114.13	DOWN 8.30 points

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for plants and equipment, not yet under contract, can be held up.

Such hesitation can have a big influence on the business outlook. And spending by industry plays a pace-setting role in the economy.

If jitters become stronger, then the prospect is likely to alter to this extent:

- After mid-1956, the level of business activity is likely to decline noticeably. Something more than a short summer slump will be indicated.
- In 1957, developments will be cued to the outcome of the election. If Democrats return to power in the White House and control Congress, businessmen are likely to adopt the wait-and-see attitude more generally. If Republicans retain the White House and gain control of Congress, businessmen as a group more probably will put aside worry over Government action.

In either event, there is nothing in the long-range outlook to suggest a severe depression or even a deep recession.

The stock market, breaking sharply on September 26, reflected the quick judgment of many investors that illness for President Eisenhower forecast a change. This reaction came at the height of a long "bull" market traced in the chart on page 24. In the cool light of the morning after, the alarm was judged to be overdone and a recovery followed.

Both days, the market's actions were extreme. The charts on pages 22 and 23 show that the initial break had been exceeded only once in the past. The second day's gain had been exceeded only six times previously.

Some stock brokers took comfort in the fact that these gyrations, when compared to the current value of stocks, were not so severe as they first seemed. For instance, the September 26 drop clipped just 6.5 per cent off the total value of "blue chip" industrial stocks, compared with a reduction in value of 12.8 per cent on Oct. 28, 1929. Measured this way, the break had been exceeded on 14 previous occasions since 1928.

Yet the upset sounded a warning. A new note of caution has been injected into a market that had been reflecting only optimism.

That is a tipoff to the reaction that might develop elsewhere. Few executives are pessimistic; many are a little less optimistic than they have been. This shift in feeling comes when other forces are gathering to check the boom.

Tighter credit, encouraged by official policy, is beginning to show results.

Corporations, local governments and individuals are finding it more costly to borrow. The added cost, in some instances, is causing delay in raising money for public works.

Builders and home buyers find it more difficult to line up loans on the extremely easy, no-down-payment, 30-year basis that was fairly common late in 1954. Here and there, plans for new suburban building are being postponed or abandoned; builders fear tighter terms will make it harder to sell. They say that, while most people are not being kept from buying, a marginal group is being squeezed out of the market; in some cases, these sales spell the difference between profit and loss.

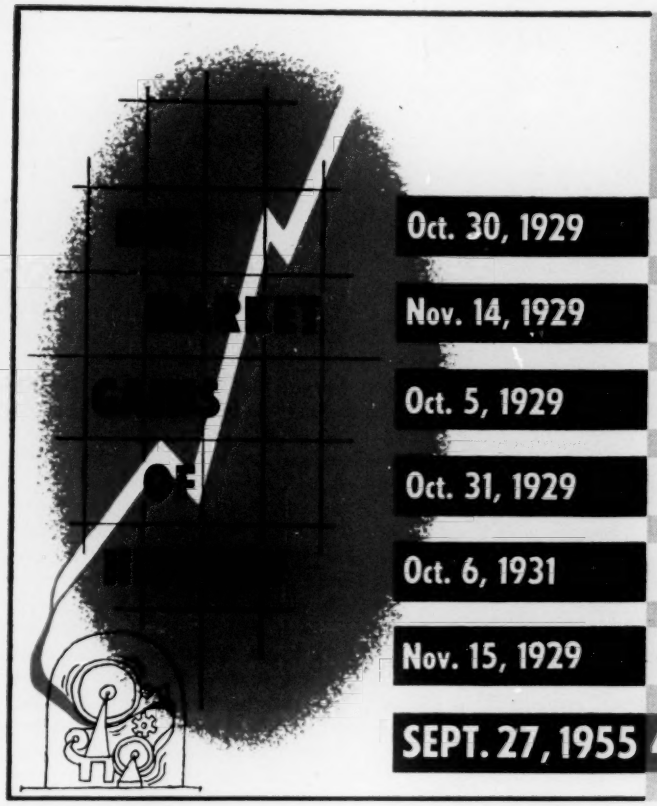
Results already are showing up in official reports: a slower rate for housing starts, a tapering off in total value of construction. These trends, economists believe, are likely to be accentuated whenever businessmen become less confident about their prospects, as is now the case.

The chart on page 21 shows that the rise in construction has been an outstanding part of the boom.

Meanwhile, banks and savings and loan associations are being led by federal policy to be more cautious in making loans not only on houses, but on automobiles and other things.

The auto industry is divided in its feeling about 1956. Some executives expect the boom in sales to continue through the rest of this year but to taper off next year. Others are saying sales in 1956 will equal the record being set in 1955.

Whichever group is right, this seems



	Industrial Stocks (Dow-Jones Average)		
	Day before	End of the day	CHANGE
Oct. 30, 1929	230.07	258.47	UP 28.40 points
Nov. 14, 1929	198.69	217.28	UP 18.59 points
Oct. 5, 1929	325.17	341.36	UP 16.19 points
Oct. 31, 1929	258.47	273.51	UP 15.04 points
Oct. 6, 1931	86.48	99.34	UP 12.86 points
Nov. 15, 1929	217.28	228.73	UP 11.45 points
SEPT. 27, 1955	455.56	465.93	UP 10.37 points

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sure: Business is not to experience another uplift such as the startling increase in auto sales this year. And even slight declines in sales of autos and houses would tend to spread to other lines, such as appliances and furniture. For years, consumers have been loading up with these durable goods, in some cases going deep into debt to buy them. A pause would be regarded by economists and bankers as not surprising.

All businessmen expect the battle for customers to be fierce in the coming year—if anything, tougher than this year. One leading economist predicts that corporate profits will be lower in 1956 because companies will have to shave profit margins. Costs are going up, but it's getting harder to pass on increases to the consumer.

Increases in profits after taxes, and in dividends, were striking and stimulating in the first years under Mr. Eisenhower. This stimulus may not be so strong in the future.

Tax cut, expected in 1956, is not likely to be applied in the way investors and executives would like.

Republicans, as well as Democrats, are saying that a big share of the cut will go to low-income taxpayers. Reduction in the tax on corporate income is considered very unlikely.

Thus the tax cut, when it comes, will be designed to please voters, to encourage consumers to spend more freely, but to give little, if any, relief to industry or larger investors.

Another move officials have in mind for the time when business slackens is to ease credit restraints. The Government will encourage lower interest rates and expand the money supply. It also is likely to reinstate more liberal terms for mortgages. These moves are considered possible by or before mid-1956.

Such a reversal of present credit policy is expected to give business a strong shot in the arm, as it did in 1954. Results, however, usually do not show strongly for some months.

The reaction in the 1954 recession was rather speedy. But the businessmen then were viewing the future with great confidence. They were savoring the benefits of the Eisenhower Administration.

With extreme confidence yielding to uncertainty, the effect of future Government efforts to stimulate business may be less striking.

Apart from Government action, two developments in business have been counted on to keep the boom rolling.

Spending for factories, machinery, stores and the like began to increase this year. Continued growth in this important form of investment had been indicated for 1956. Now there is a prospect the increase will be slowed down.

Early in 1955, businessmen were spending at the rate of 25.7 billions a year for new plant and equipment. By the end of the year, they are expected to be shelling out at the rate of 29.7 billions, a new record.

Many companies say Mr. Eisenhower's illness makes no difference in their plans. Orders for machines and building are not being canceled; projects that are out of the blueprint stage are not to be scaled down. That is one reason why the boom has somewhat longer to run.

But uncertainty always has an effect when plans still are being drawn, when final decisions have not been reached. This means a change can begin to show up sometime in 1956.

A downturn in business spending would be decisive. Construction, plant improvement and equipment together will absorb around 50 per cent of all the steel this year, the Economic Unit of *U. S. News & World Report* estimates. Employment in these and closely related industries is heavy; when business slackens and men are laid off, these industries usually feel the sharpest effect.

Inventory buying is another stimulus to the boom that was expected to continue into 1956. Again, uncertainty could choke the increase sooner.

In recent months, businessmen have been adding to their stocks of goods at a rate of nearly 5 billion dollars a year. That is equal to about half the increase

[continued]

WHY BUSINESS IS JITTERY

in total output of goods and services this year. Autos piling up in dealers' lots and other goods in process of manufacture account for a considerable part of this inventory growth.

Most businessmen have been saying they want to build inventories higher. They want more steel, copper, other raw materials. Retailers, too, as their sales improve, are adding to their supplies of nondurable goods.

Rising prices tend to encourage buying. Businessmen are trying to be well stocked ahead of time, because they think prices will continue upward.

This buying absorbs goods and thus helps keep factories operating at a fast clip. It is tied to what companies think will happen to their own sales. The forecasts change frequently, sometimes suddenly, depending on the outlook of company executives.

Basic factors making for long-term growth in sales, investment and output are not changed by Mr. Eisenhower's illness, of course.

The country approaches a time when a big increase in marriages is expected; that makes the long-term outlook for building very good, in the opinion of most economists. Inventions are creating new markets and forcing companies to re-equip. For example, the widespread use of color television is said by some industry people to be close at hand. Atomic developments are opening new prospects for foreign trade, plentiful and ultimately cheaper power, new radiation-treated materials.

Rapid growth in population means a steady demand for more schools, roads and hospitals.

Prospects such as these have been getting major attention from business in recent months, when worries about the current picture have been at a minimum. Now an uncertain present seems to cast a shadow before the bright future.

Looking back over three years of the Republican Administration, these things stand out:

Over-all growth of business has been good, but about normal for this country; increases this year are bigger than usual and offset declines in 1953 and 1954. Greatest gains have been registered in construction and, more recently, in auto production and sales. Debts have piled up faster than incomes have increased. Stock prices have risen far more in proportion than profits or dividends have risen.

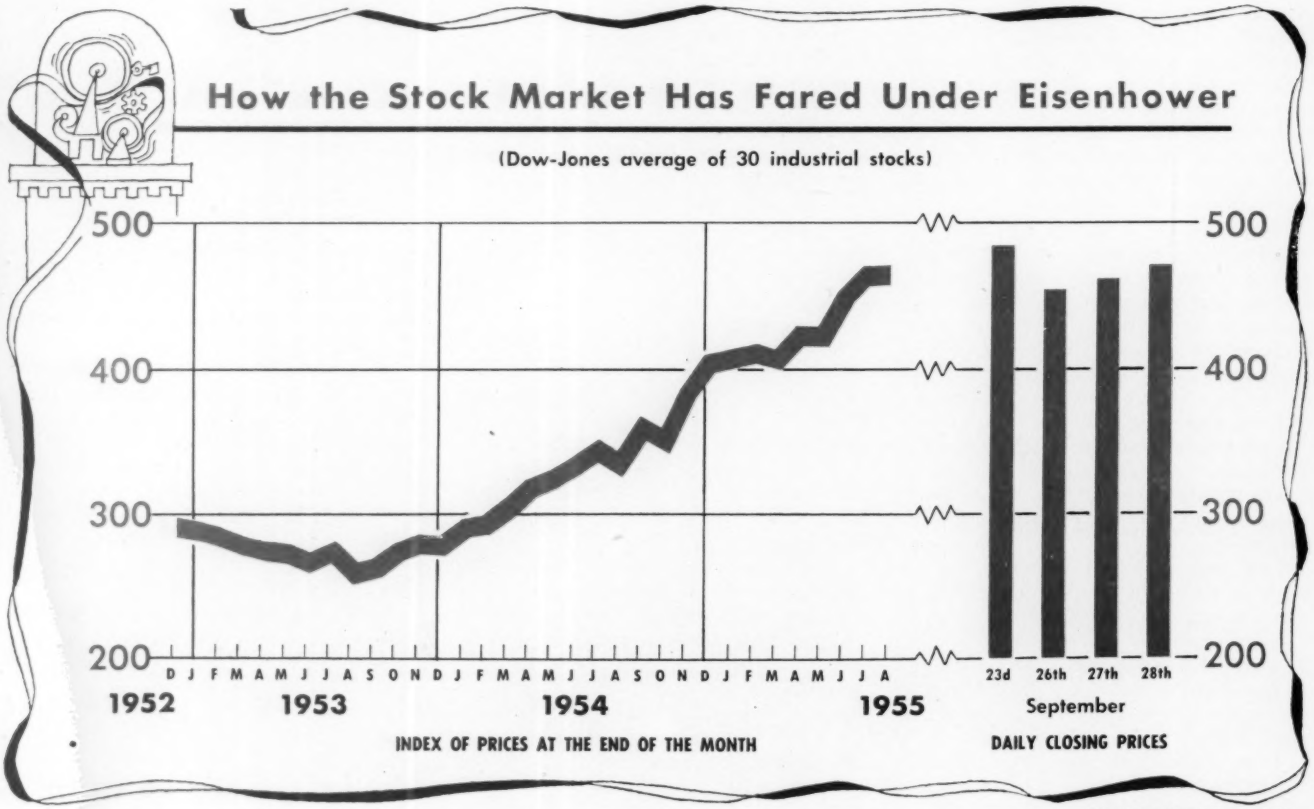
Mounting debts will cause trouble, economists and bankers are warning, if there is an increase in unemployment or a drop in income.

Lofty stock prices have cut the investor's prospective return. The average yield on "blue chip" industrial stocks, if bought at the recent peak of the market, was about 3.91 per cent, as reported by the Economic Unit of *U. S. News & World Report*. Yields on high-grade corporate bonds, involving much less risk to the investor, averaged about 3.13 per cent. The spread between the two was .78, compared with about 2.37 when President Eisenhower took office.

For that reason even before the President's illness touched off the big break, many market experts felt an end of the stock boom was due.

The big gains, such as those made in building, autos and stocks, no longer appear in the cards. That alone means the boom is going to slow down. Now, more than just a slowing down is possible because of the added uncertainty over political change and Government policy.

There is no sign that postwar prosperity will be jeopardized. But a bit of the zip will go as a result of the President's misfortune.


How the Stock Market Has Fared Under Eisenhower
(Dow-Jones average of 30 industrial stocks)
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INDEX OF PRICES AT THE END OF THE MONTH
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September
DAILY CLOSING PRICES

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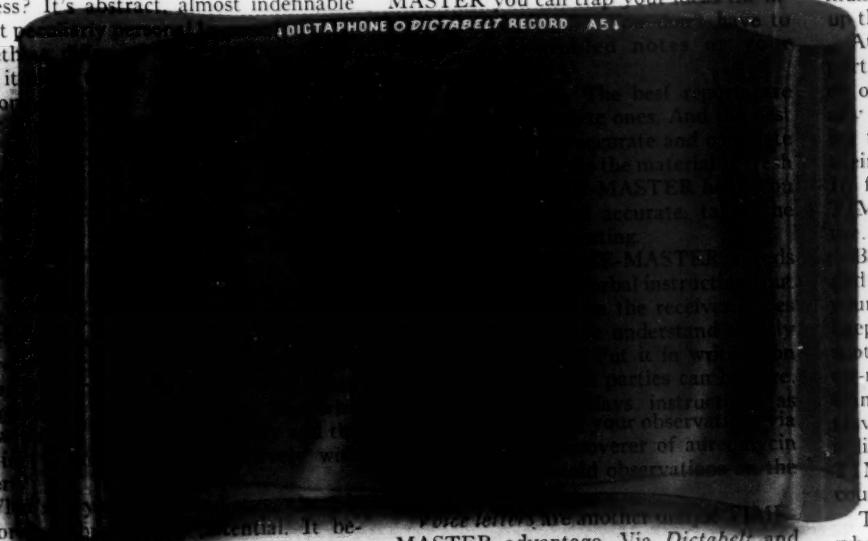

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Who's Running the Country Now

The "Big Four," With Nixon as Co-ordinator

It's business as usual for the "Eisenhower team." President's absence doesn't mean a big change in operations in Washington.

Under his setup, Mr. Eisenhower charts the course, the "team" takes over from there. It's a group with broad authority.

This is a report on the men now running the Government, and what to expect of them in the period ahead.

Unless President Eisenhower's condition should change for the worse, these things now are clear:

• The Government is being run by the same small group that has been in virtual charge for months—and run in the same way.

This means that the man at the top, the operating head of the federal establishment, is Sherman Adams, the Assistant to the President, and now the most powerful man in the Administration. Mr. Adams is backed by a Cabinet group.

• George M. Humphrey, Secretary of the Treasury, closely supervises activities of first interest to businessmen—finance, credit, taxes, the budget. Under Mr. Humphrey, the Administration's friendly attitude toward business is to continue unchanged.

• Defense policy, problems of the Army, Navy and Air Force are left with Charles E. Wilson, the Secretary of Defense.

• Foreign policy remains in the hands of John Foster Dulles, the Secretary of State.

• Barring some interruption to Mr. Eisenhower's recuperation, the domain of Vice President Nixon remains about what it was. He looks out for big and little political problems, keeps tab on Congress. As in the past, Mr. Nixon presides over the Cabinet and the National Security Council in the President's absence.

To this has been added the signing of ceremonial letters and other communications—but not official documents—"on behalf of the President." And chances are that during Mr. Eisenhower's convalescence Mr. Nixon's usual activities in making speeches and meeting groups for the President will be increased.

Of course, if another heart attack should result in Mr. Eisenhower's death, Mr. Nixon would take over as President in fact, and a new regime would begin.

For the present, however, plans are made on the expectation that, in a few weeks, Mr. Eisenhower will be able to resume some supervision of the Government and of policy making. And, until that time arrives, all are operating along policy lines worked out and approved long ago by Mr. Eisenhower.

If emergencies arise. The President's heart attack left him with his mind and will power unimpaired. A few days later he was receiving visitors briefly each day. Presidential physicians held out the prospect that in two weeks he could be conferring with top Government officials.

Thus, it was felt that after a very short time Mr. Adams could go to the President with a batch of problems that might be beyond the broad powers of The Assistant, and in half an hour's time get them cleared away, plus a presidential signature on a few important documents.

In fact, less than a week after Mr. Eisenhower's attack, aides decided he was well enough to initial two necessary documents and that, if need be, any emergency matter could be taken to him for decision even that early. To be closer to the President, Mr. Adams decided to preside over the White House from Denver.

Meanwhile, many were asking: What if a real emergency should arise? What if the Chinese Communists should make an unexpected and belligerent move, or Moscow come forward with a startling proposal or unexpected action? However reluctant Mr. Eisenhower's aides might be, this could be taken to the President for quick decision.

The President's associates were quick to recall what they consider a parallel in the case of Sir Winston Churchill. While Prime Minister of Great Britain, Sir Winston twice was hit by cerebral hemorrhage. One side was paralyzed. For a time, he could scarcely speak. Yet, public business went ahead.

—United Press

SHERMAN ADAMS: WITH AUTHORITY OF THE PRESIDENT
. . . top man of the Administration while Ike is ill

As for comparisons with the chaotic situations that followed the shooting of President Garfield, and the stroke of Woodrow Wilson, Administration spokesmen point out that Mr. Eisenhower has installed a new system at the top of the Government, one that can run itself with little supervision from him.

Mr. Eisenhower's idea was that he should merely set the directions, the goals of policy. Through a well-organized White House staff and heads of the departments, all planning and action would be kept geared to the policy so laid down. Few questions need be brought to the President, leaving him free to devote his time and attention to the big

issues of foreign, military and congressional policy.

Those close to the White House think the new system has worked and is working well.

The "team." Long ago, Mr. Eisenhower empowered Mr. Adams to make most decisions for himself. The Assistant to the President is the only man with authority to issue orders to the executive departments and agencies, during the President's absence from the capital.

Thus, Mr. Adams speaks with the voice of the President. His power reaches into every cranny of the Government. His administrative control came to be accepted long ago. Hence it is not a new thing. Mr. Adams is not a man suddenly confronted with the problem of keeping the branches of the Government in harness and who still must assert his authority and obtain respect for it.

The Assistant to the President heads the well-organized White House staff. Its efforts are aimed at getting things done without bothering the President.

Mr. Adams, always one of the busiest men in the Government, now is busier than ever. When he is in Washington, callers crowd his anteroom. His telephone rings constantly. It is his job more than ever, now, to talk to members of Congress, to politicians. He has almost the last word on patronage.

Only in Congress is Mr. Adams's right or authority challenged. He has made foes at the Capitol—of Congressmen whose patronage pleas have been ignored, or who feel that he has kept matters of great concern to their districts away from the President's attention.

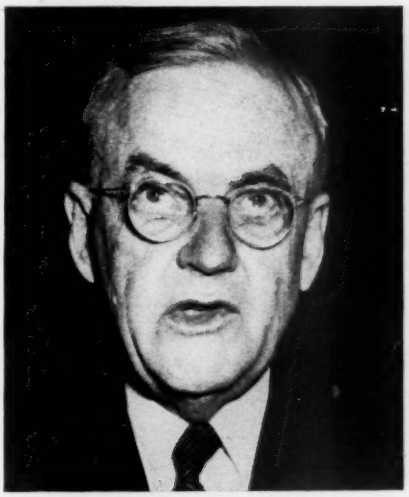
The Cabinet. Mr. Adams is working closely with the top officials of the Administration, however, and especially with Mr. Humphrey. The latter, with a notable business background himself, exudes smiling confidence and self-assurance. Since the beginnings of the Eisenhower Administration it has been he, more than anyone else, who has made fiscal and credit policy.

Mr. Humphrey frequently has been called the Administration's "strong man." The President has grown accustomed to leaning heavily upon him for advice on keeping the boom running along smoothly and safeguarding against inflation. In the monetary, credit and taxation fields Mr. Humphrey has been and continues, for practical purposes, to be the policy maker. Policies in these fields are not to change.

The Treasury head is concerned lest the prospect that Mr. Eisenhower may not run again, because of his illness, should cause business to curtail its plans for expansion. Mr. Humphrey says:

"Our policies and programs are definite and firmly established. There is no reason to anticipate any change. We will carry on in his [the President's] absence exactly as previously planned. There is no reason for others to do otherwise."

SECRETARY HUMPHREY



SECRETARY DULLES

—USN&WR, United Press, Harris & Ewing

SECRETARY WILSON
Sharing the load

Keeping tab on the boom, checking the controls on credit contraction or expansion with the Federal Reserve Board, the Secretary also is preparing tax recommendations that may be subject to change in accordance with the Government's fiscal outlook, and that are sure, in any event, to encounter a storm in Congress.

Mr. Humphrey would like to balance the budget this fiscal year, and that brings Secretary Wilson prominently into the picture. It is widely conceded that the balanced-budget goal cannot be reached without extensive cuts in military spending.

Mr. Wilson and Mr. Humphrey, former industrialists, are working out the situation together. Between them there is an easy co-operation. Mr. Wilson, too, would like to balance the budget. He has been searching for economies, but finds that expenditures are increasing, not declining. The services are alert to protest any clipping of military expenditures.

Reluctantly, Mr. Wilson says that Mr. Humphrey must look elsewhere for any extensive savings. But the two are still trying to solve the problem, and Mr. Humphrey is expected to go along in general with Mr. Wilson's estimate of the situation.

In the past, disagreements on the budget, especially the military budget, have raised questions that only Mr. Eisenhower could settle. Insiders believe that, in the present developing situation, differences of opinion beyond even the broad bounds of Mr. Adams's authority are sure to arise. These differences will have to go to the President. Decisions will not be necessary, however, until December, with Mr. Eisenhower expected to be able to make them.

In the field of foreign affairs, Secretary Dulles knows exactly what the President wants done. They have disagreed sometimes in the past. Mr. Dulles inclines to be more aggressive than the President and, in some situations, Mr. Eisenhower has found it necessary to restrain him. The Secretary of State places less faith in the worth of negotiating with the Russian than does the President.

Some others within the Administration share Mr. Dulles's attitudes. For the time being, however, policy is to be kept strictly within the bounds that Mr. Eisenhower has laid down. Mr. Dulles goes to the Big Four Foreign Ministers' Conference knowing his role and with many of his lines already written.

Congress. For an ailing, if convalescing President, the new session of Congress to open in January raises new problems. The expectation that he will not

(Continued on page 28)

LEGAL LIQUOR VS LETHAL LIGHTNIN'

by
J. P. Van Winkle
President
Stitzel-Weller
(Old Fitzgerald)
Distillery
Louisville, Kentucky
Established 1849

A 3-cent tax on tea once dumped three whole shiploads into Boston Harbor.

Twenty-one years later, a 7-cent tax on whiskey almost touched off a *second* Revolution.

Since that famous "Tea Party" of 1773 and the "Whiskey Rebellion" of 1794, the authorities seem to have by-passed tea as a taxable beverage.

But the bite is still on whiskey!

Your tax today is $10.50 a gallon—854% increase since 1933. In fact, 56 cents in every whiskey dollar goes for taxes of one sort or another.

What's the result?

In spite of our growth in population and buying power, the distilling industry is a "sitting duck." High taxes have priced us out of reach of many customers.

Does this mean the country is drinking less? Far from it!

The moonshiner picks up where the tax-paying distiller leaves off. Last year 22,913 illegal stills were destroyed by revenuers—one for every 2,088 American males of drinking age.

And those were only the stills *caught!* How many *more* continue to brew their lethal lightnin', is anybody's guess. Enough, say the experts, to cheat the government out of $735 millions yearly.

Legal Liquor *expects* to be taxed. But not to the extent that our customer friends are penalized, while a whole new generation of cheats and gangsters pursue their nefarious trade.

Excise taxes are now up for revision. If the views expressed here make sense, please send me a postcard saying so. I will forward it to *your* congressman, asking that he give us both a fairer shake.

If you are one of the inner circle who has already discovered the excellence of my specialty, OLD FITZGERALD, I promise that you will benefit to the full extent of any tax reduction our joint effort may help to bring about.

Bonded 100 Proof Original Sour Mash Kentucky Straight Bourbon

[*continued*] **WHO'S RUNNING THE COUNTRY**

run again is considered certain to diminish the President's influence.

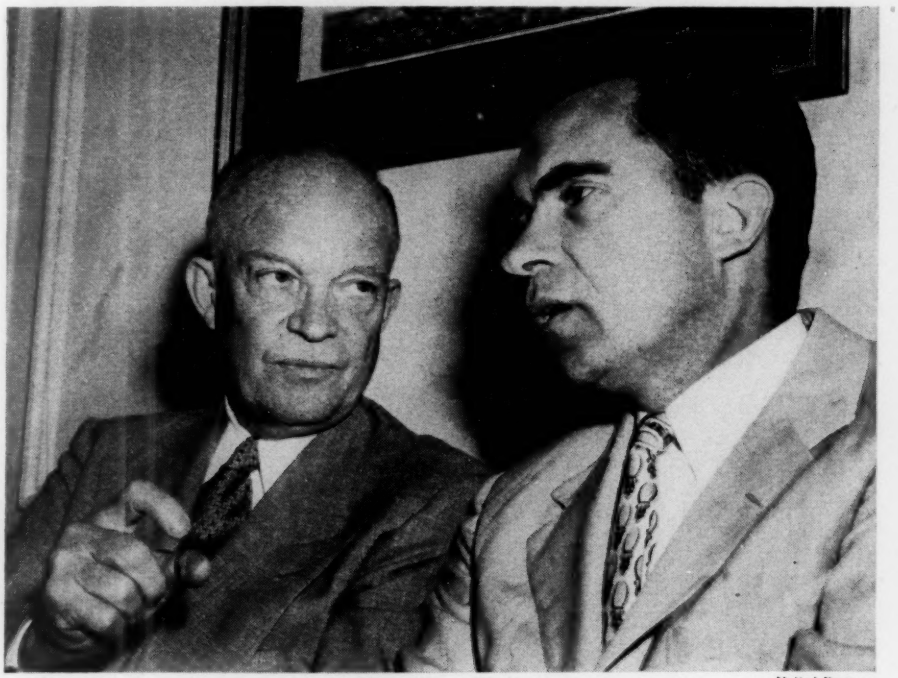
In the past, Mr. Eisenhower has done more than is commonly supposed to keep Republican Congressmen in line. There have been innumerable personal meetings. Breakfast sessions with small groups, two or three times a week, have not been uncommon. To some extent, perhaps, these can continue, but it still will be necessary for the President to conserve his strength, avoid tensions.

Much more than in the past is to devolve upon Mr. Adams, a man who has rubbed numerous Congressmen the wrong way, and on Mr. Adams's Deputy, Maj. Gen. Wilton B. Persons (Ret.), who gets along well on Capitol Hill. In the situation, some of the President's congressional support is expected to fall away, inevitably.

Mr. Eisenhower expectedly will have little that is new to propose to Congress. Disputes, however, remain from last session—highway legislation, bound up in a tangle of pressure groups; health insurance, broadening of Social Security coverage.

In addition, tax and budget legislation is sure to arouse controversies, especially if the budget proposes cuts in the military establishment that Democrats consider excessive or dangerous. In all these situations, Mr. Eisenhower will want to use his personal influence. How great that influence may remain, however, is considered a serious question.

The President, of course, will have the assistance of Vice President Nixon in working out troublesome situations. In that capacity Mr. Nixon has proved a useful lieutenant in the past, especially where conflicts within the party are concerned. In the expectation that Mr. Eisenhower will not seek a second term, however, the Vice President becomes a leading candidate for the nomination. That, it is conjectured, would tend to make groups backing other candidates less likely to listen to Mr. Nixon.



–United Press

THE PRESIDENT AND MR. NIXON
For the Vice President, no big change

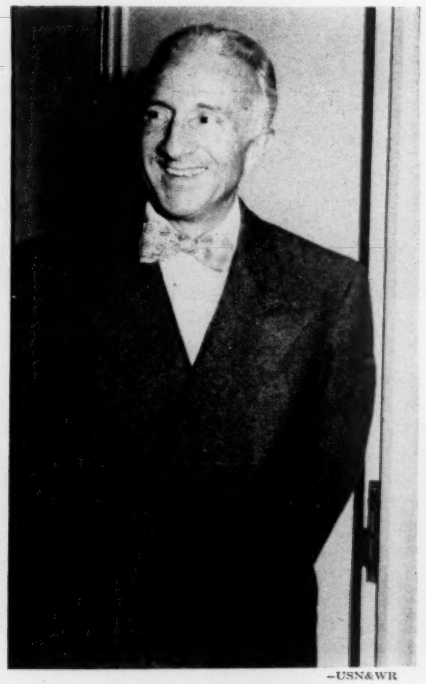
Mr. **Eisenhower's personal appearances** before Congress become another problem. For months his addresses are to be cut to a minimum, perhaps eliminated altogether. The state-of-the-union message usually is delivered by the President in person. It can, however, simply be submitted to Congress and read to both houses by their clerks.

The preparation of this message, and of the budget message and economic report—all January fixtures—customarily is left almost entirely to persons other than the President. In the final stages, the President takes charge, and the messages ultimately become his own product. Put-

ting them in final shape is not attempted until late December. By then, White House aides expect him to be able to take his usual part in message writing.

The interim. Aside from the important congressional situation, Administration officials are confident the Government can function smoothly, efficiently until Mr. Eisenhower is able, gradually, to assume supervision. For practical purposes, it is a little as though his vacation simply has been prolonged.

Since August 21, when the President began his Colorado vacation, most questions have been left to the staff, "the team." Before his heart attack, he spent an hour or so daily in his office at Lowry Air Force Base.



–USN&WR

GENERAL PERSONS
Congress is his job

When in Washington, scarcely more time than that was devoted to direct attention to decisions on day-to-day matters brought in by Mr. Adams. Much time went to meeting callers and delegations—the number of which is to be much reduced in the future. Meanwhile, Mr. Adams, Mr. Humphrey, Mr. Wilson and Mr. Dulles were leading officials in running the Government, as they are today.

One purpose of the military-staff system, in which Mr. Eisenhower grew up and which he now has applied to the White House, is to provide immediate leadership if a ranking officer should become a casualty or is otherwise disabled. That is the way it is working out in the President's own case.

Can you use the power of pictures...

1. to keep orders flowing in?

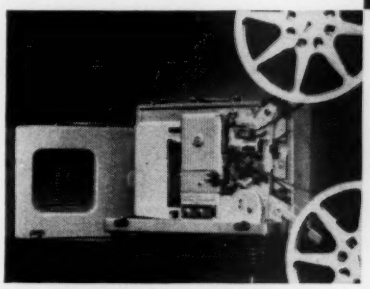
"Wrap our plant in a package so we can carry it along on sales calls!" With these instructions to his movie producer, General Manager Jack Kleinoder last year ordered a 20-minute 16mm color film for *Volkert Stampings, Inc.* The film, which explains Volkert's electronic parts manufacturing services to development engineers, has already paid big dividends. "We credit the film," says Kleinoder, "with a lot of unsolicited orders."

2. to snip off production waste?

B. F. Goodrich snips off production waste at its base—with movies. Films of plant operations teach foremen the principles of motion study in a work-simplification course. With this knowledge, the foremen are eliminating thousands of dollars' worth of lost time and waste motion in their departments.

3. to increase sales force enthusiasm?

Chrysler Airtemp Sales Corporation trains its sales force through as many senses as possible with the aid of strip films, slides, and Kodaslide Signet 500 Projectors. The high comprehension this method assures has excited interest, boosted attendance at sales meetings, and increased sales!



HOW TO PICK A PROJECTOR

Salesmen need projectors that keep audience interest alive with crisp, brilliant pictures . . . and put the audience at ease with clear, comfortable sound. Their projectors must be easy to carry, easy to set up, and easy to run. And salesmen also need reliable projectors so that breakdowns won't spoil presentations miles away from service facilities.

That's why the companies mentioned above—like so many others—have selected Kodascope Pageant Sound Projectors. Pageants are permanently pre-lubricated to eliminate the danger of improper oiling—chief cause of projector breakdowns.

For more details to help you pick your projector, just check the coupon for your free copy of a new catalog on the complete Pageant line.

BOOKLET HELPS YOU DECIDE

This free booklet, "Motion Pictures: Aids in Business and Education," can help you decide how 16mm movies can help you. It discusses applications, planning, production costs, presentation, and effectiveness of business and industrial movies. References and sources of loan films are included. Just mail the coupon.

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Kodak

MAN WHO MIGHT BE PRESIDENT—MR. NIXON IN ACTION

VICE PRESIDENT Richard M. Nixon, as a result of President Eisenhower's illness, is taking on great new importance—and great new problems as well.

Mr. Nixon, of course, is the man who will become President if Mr. Eisenhower's ailing heart collapses within the next 16 months. He stands only the beat of that weakened heart away from the nation's highest office. That alone is enough to make Mr. Nixon a very important individual.

But that is not all. In the meantime, as long as the President remains too ill to work, some of his presidential duties will devolve upon the Vice President. This means that, for several weeks at least, Mr. Nixon will be carrying responsibilities that few Vice Presidents before him have had to assume.

All this, again, is not all the change that Mr. Eisenhower's illness has wrought in Mr. Nixon's life.

Mr. Nixon now finds himself a major figure in the 1956 presidential campaign. As long as Mr. Eisenhower was in vigorous health and a prospective candidate for re-election, Mr. Nixon was his probable running mate.

All this is now changed. Even though Mr. Eisenhower survives his first term, it is now conceded privately by most politicians that Mr. Eisenhower will not run for a second term. That projects Mr. Nixon squarely into the 1956 battle as the candidate to contend with—not for Vice President, but for the Presidency, itself—with plenty of rivals, even from his home State of California.

Thus, from any viewpoint, Mr. Nixon is coming to be regarded more and more as the man who could be the next President of the United States.

Gone already: privacy. Mr. Nixon is finding his life greatly changed by these recent developments. Until Mr. Eisenhower's heart attack on September 24, Mr. Nixon, like most previous Vice Presidents, enjoyed comparative privacy outside his official duties. His home is a private dwelling, not an official residence. Once it was a quiet retreat. Now it is frequented by reporters, guarded by the Secret Service, and stared at by tourists.

A Secret Service man used to guard the Vice President's office, but only occasionally accompanied him elsewhere. Now, four Secret Service men surround Mr. Nixon throughout the day, and two stand watch over his home at night.

Cameramen and reporters, who used to swarm around the White House but not around the Vice President, now dog Mr. Nixon's heels everywhere he goes, and they too maintain an all-night vigil outside his home.

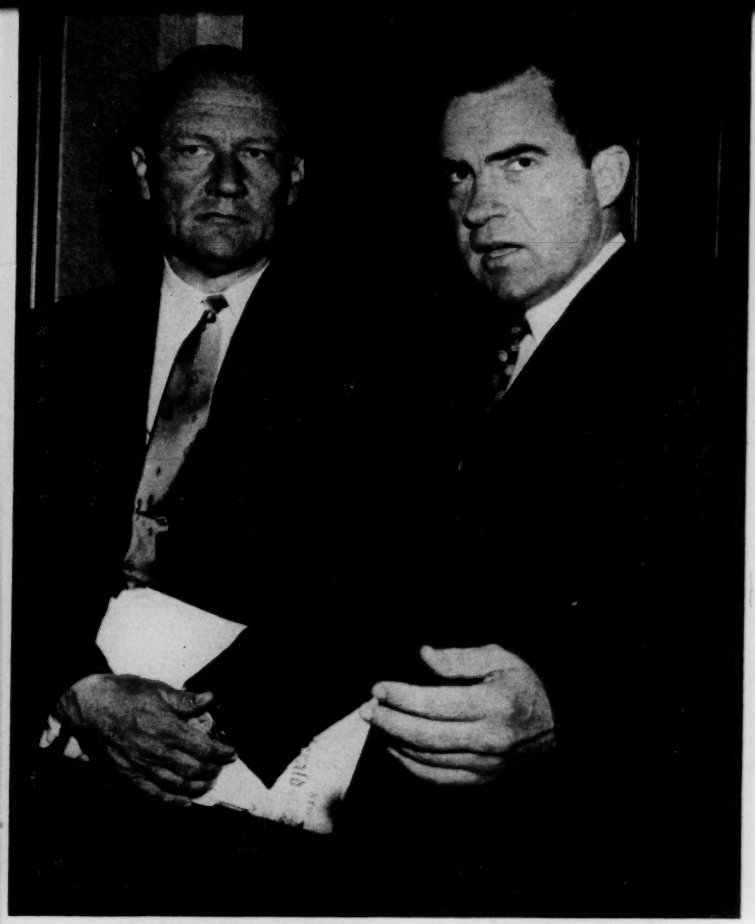
The Vice President's working day, already long, has lengthened. Although no presidential powers have been officially delegated to him, and the Administration is careful to avoid casting Mr. Nixon in the role of "acting President," he is taking over several chores that the President normally performs.

Mr. Nixon is presiding at Cabinet meetings and at sessions of the National Security Council, for example, and is signing some communications—although no major documents—that the President usually handles. He engaged last week in a busy round of conferences with Administration leaders.

All this adds up to a difficult role that Mr. Nixon is now playing. He is not President, yet is more than an ordinary Vice President, holds a job with more responsibility than power. And all the time, as first in line of succession to the Presidency, Mr. Nixon must be prepared to step into the top job at any moment.

Nine-year rise. For such a role, Mr. Nixon's preparation has been brief, but intensive. He entered politics only nine years ago when, as a young lawyer fresh from wartime service in the Navy, he was elected to Congress from California's twelfth district. After two terms in the House, he was elected to the Senate. He had served only two years in the Senate when he was tapped for Vice President in 1952, at the age of 39.

Mr. Nixon is the second-youngest Vice President in the nation's history. Now it is being realized that, at 42, he is in a position to become the youngest President.



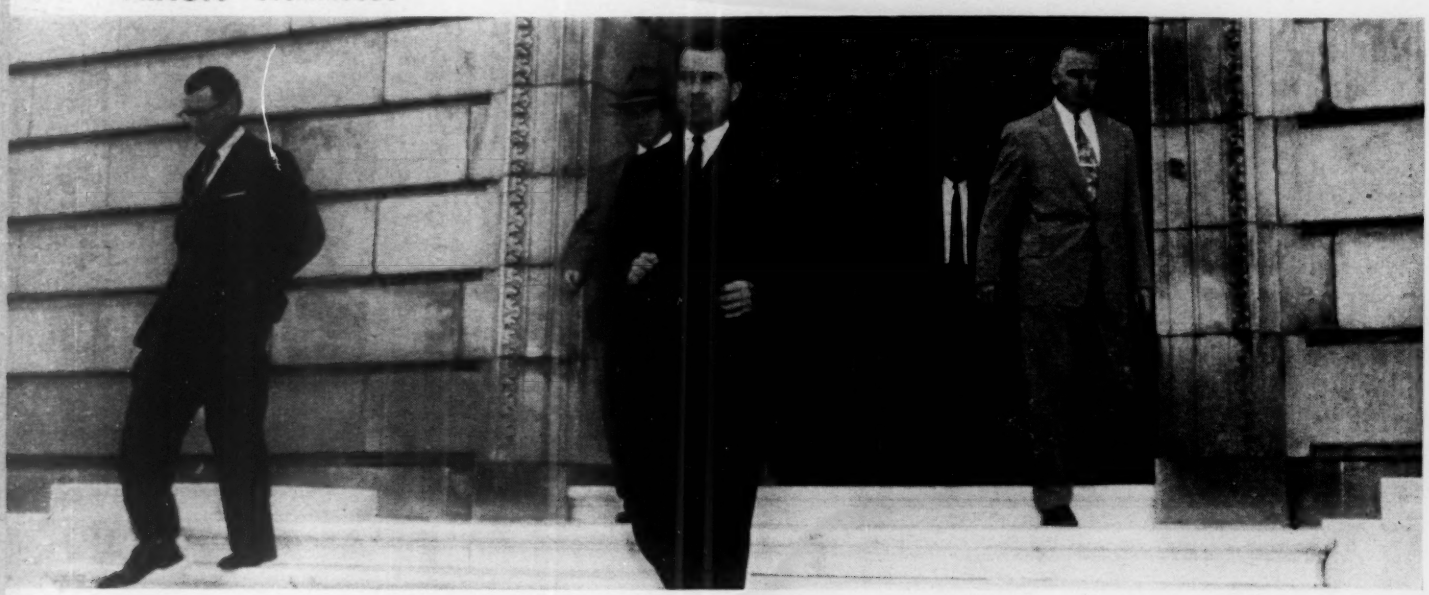
PRESIDENTIAL RIVALS in 1956? Senator William F. Knowland and fellow Californian Mr. Nixon

NIXON FAMILY goes to church. Daughters are Julie, 7 (left), and Patricia, 9

AT CABINET MEETING, Mr. Nixon presides in the President's absence

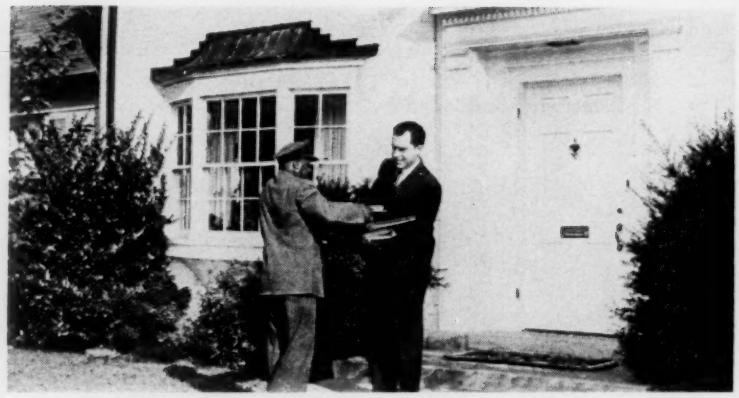
(Continued) ➡

NIXON [*continued*]



GUARDED LIKE A PRESIDENT. Since Mr. Eisenhower's illness, Secret Service men surround Mr. Nixon

ENTERING WHITE HOUSE, Vice President faces microphones and cameras



BUSY Mr. Nixon, leaving his house for a hectic day, hands his chauffeur a big bundle of "homework"

—USN&WR, Harris & Ewing, United Press, Wide World

FACING TELEVISION CAMERA, Mr. Nixon assures the nation that its Government will carry on as usual

GOODYEAR INDUSTRIAL PRODUCTS
G-T-M-Specified
SPECIAL V-BELT
for speed changer
on power workshop
Variable Diameter Pulleys
Special V-Belt sinewed with 3-T Cord, synthetic cord tempered by Time, Temperature and Tension, for greater strength and shock-absorption with practically no stretch.
SHOP SMITH
Speed Dial
Driven Shaft

Schematic drawing courtesy Magna Engineering Corp., Menlo Park, California

Secret of a New Twist in Power Workshops

HOME craftsmen can thank the G.T.M.—Goodyear Technical Man—for helping to make expert wood or metalworking as easy as dialing a telephone.

A leading manufacturer of home workshop power tools wanted to make speed changing in an all-new model easy and convenient. Dialing the operation on a speed-dial was the answer. A simple twist of the dial and the operator could have the right speed. The various speeds could be obtained by changing the distance between halves of split pulleys. This would vary the diameter of the pulleys and the resultant r.p.m. But how to get a belt that could withstand the constant changing in diameter and not stretch was the problem.

The G.T.M. was called on for help. He worked with the problem for a year during the planning and developing stages, finally delivered a special, precision-built V-Belt —sinewed with Triple-Tempered (3-T) Cord. This super belt not only outperformed competitive belts by withstanding *four times as many stalls* at 2500 r.p.m., but also ran much quieter and smoother—completely solving the problem.

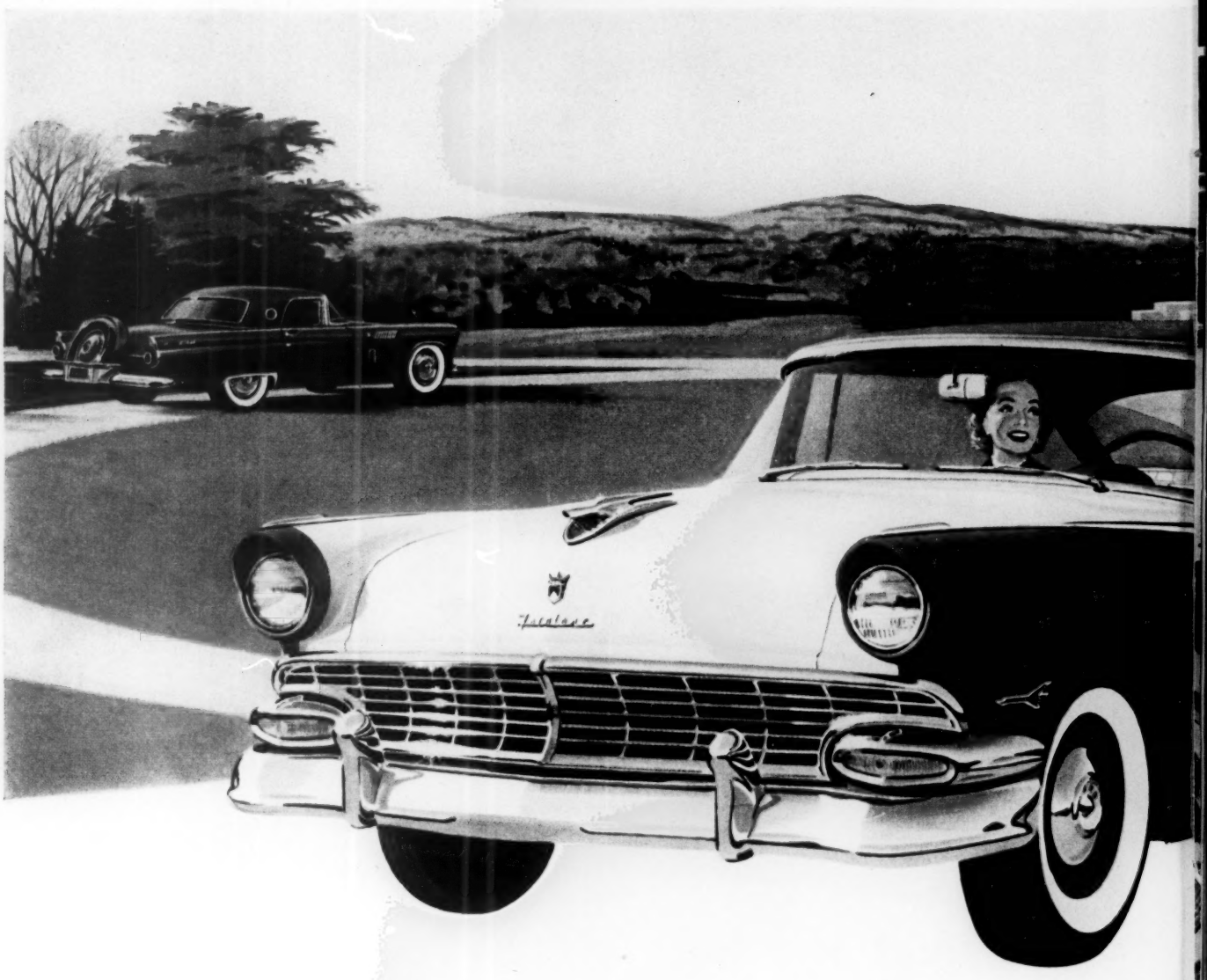
How can the G.T.M. solve your V-Belt problem? You can consult him through your Goodyear Distributor or Goodyear, Industrial Products Division, Akron 16, Ohio.

• • •

YOUR GOODYEAR DISTRIBUTOR *can quickly supply you with Hose, Flat Belts, V-Belts, Packing or Rolls. Look for him in the Yellow Pages of your Telephone Directory under "Rubber Products" or "Rubber Goods."*

GOODYEAR

THE GREATEST NAME IN RUBBER



New '56 FORD...the fine

With new 202-h.p. Thunderbird Y-8 engine...

WITH ALL ITS exciting *beauty* and *power* news for 1956, Ford announces the biggest safety news in car history. *It is Lifeguard design*—the first major contribution to driver and passenger safety in accidents.

Two years ago, Ford undertook a program of research and testing to determine the causes of accident injuries . . . so a safer car could be built.

In co-operation with universities, medical associations and safety experts, it was found that over half of serious injuries were caused by drivers being thrown against the steering post, riders striking hard surfaces within the car or being thrown *from* the car. To guard you, Ford developed exclusive Lifeguard design, a new family of safety features described on the opposite page.

Here is the rest of Ford's spectacular news! Ford brings you new Thunderbird styling—long, low lines that only the Thunderbird could inspire.

Ford brings you the magnificent 202-h.p. Thunderbird Y-8 . . . an engine so packed with GO that it is sheer delight to command. And you'll appreciate the reassuring passing power that is yours instantly when instants count.

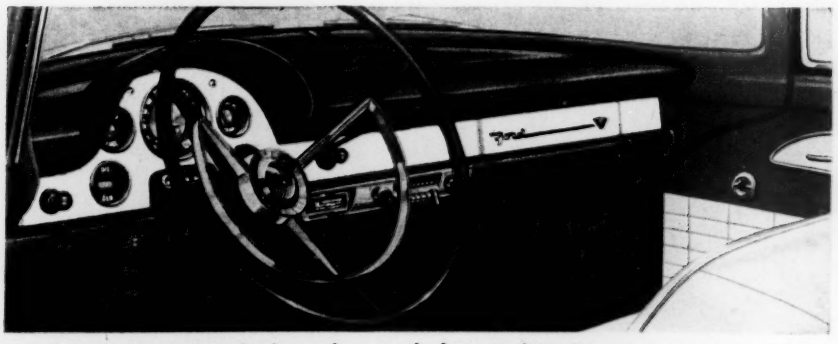
But that's only the beginning. When you learn all the facts at your Ford Dealer's, you'll know that Ford is truly the *fine* car at half the fine-car price.

NEW Thunderbird Y-8 power. Imagine! The 202-h.p. Thunderbird Y-8 engine, with all its lightning, is offered in all Fordomatic Fairlane and Station Wagon models. In Fordomatic Mainline and Customline models you can have the new GO-packed 176-h.p. Y-8. And Ford's new 137-h.p. Six is available in all 18 Ford models for '56.

Styled like the Thunderbird. The new Ford Fairlane Victoria, at left, and the new Ford Parklane Station Wagon, above, are two of Ford's 18 new beauties with styling inspired by the fabulous Ford Thunderbird, at upper left.

car at half the fine car price

with new Thunderbird styling...with new Lifeguard design



New Lifeguard steering wheel complements the beauty of Ford's modern instrument panel.

NEW Lifeguard safety features. They include Ford's Lifeguard steering wheel (deep-center structure acts as a cushion in the event of accident) . . . Lifeguard double-grip door locks (designed to give extra protection from doors springing open) . . . optional Lifeguard cushioning for instrument panel and sun visors (to lessen injuries from impact) . . . optional Lifeguard seat belts (that keep occupants securely in their seats for added safety). And you get all these Lifeguard features *only in Ford.*

When you learn the full Lifeguard story, you'll know Ford has done something definite and important to protect you and yours.

Gentlemen...

the royal scotch...fit for a **King**

"Here's tae ye!"—the true Scot's toast, is clearly indicated when the Scotch is King George IV. Known around the world for its rich body and rare flavour, King George IV now awaits your pleasure here.

"King George IV"
SCOTCH WHISKY

FEW SUCH PLEASURES COST SO LITTLE

86.8 PROOF. 100% SCOTCH WHISKIES. IMPORTED BY NATIONAL DISTILLERS PRODUCTS CORPORATION, NEW YORK, NEW YORK

PRESIDENCY: WIDE OPEN FOR '56

Could Be Dick vs. Adlai . . . Big Scramble Is On

Mr. Eisenhower's illness is turning presidential politics topsy-turvy in advance of 1956. Everything is changed.

Republican Nixon and Democrat Stevenson are out in front now in speculation about Ike's successor. But neither is a cinch for nomination. A free-for-all can develop in both parties.

A lot depends on the Eisenhower role from now on.

As of today, it is anybody's guess who will be President of the United States after 1956.

It is almost equally uncertain who will be the nominee of either major party to be chosen at the conventions in August, 1956.

Richard M. Nixon, the Vice President, is in the most favorable position among Republicans at the moment for the presidential nomination. Adlai E. Stevenson, the 1952 Democratic nominee, at least temporarily, is regarded as out in front among the Democratic candidates.

Practical politicians of both parties, however, are quick to point out that neither man has anything nailed down and that one of the great scrambles of history lies ahead. There are plenty of candidates in each party, and the field is wide open.

A political situation that had appeared cut and dried, with 1956 to be written off as a dull year, suddenly has come alive again.

What will Ike do? As a matter of strategy, President Eisenhower, recovering from a heart attack, is expected by most Republican leaders to avoid an early statement that would close the door to his own renomination. But there is to be plenty of pressure upon his aides, if not upon the President, to obtain a declaration of his intentions.

The effort of the Eisenhower forces, which now dominate the Republican Party organization, is to be directed toward maintaining hope that the President may run in spite of his damaged heart. Yet, Eisenhower leaders emphasize, the decision is to be that of the President himself, and they are asking that there be no pressure of any kind from his friends.

Nevertheless, there is a desire among party leaders to keep alive a feeling of uncertainty about the President's intentions until some plans can be made. Otherwise, the President's chances of choosing his successor will be weakened. An Eisenhower withdrawal would give a green light to other candidates. As long as the President has not declared his intentions, they will hesitate to get into the race.

In private, it is taken for granted that Mr. Eisenhower will not run. It is known, however, that he wants to have a deciding voice in the choice of his successor. The President has been trying to reshape the Republican Party along what he calls "moderate progressive" lines. He does not wish this objective to be lost sight of in the campaign.

As things stand now, many Republicans regard the Vice President as the man upon whom Mr. Eisenhower's choice would fall. These say that the President likes and trusts Mr. Nixon, that he has given the Vice President many assignments that do not ordinarily fall to Vice Presidents, and that he has rejected sug-

REPUBLICANS PUT NIXON FIRST

Gallup Poll of Republican voters, dated September 12, 1955, showed these preferences for the 1956 nomination—*assuming Eisenhower is not a candidate:*

Richard M. Nixon	25%
Harold E. Stassen	15%
John Foster Dulles	14%
Thomas E. Dewey	12%
William F. Knowland	7%
Henry Cabot Lodge, Jr.	6%
Others; no opinion	21%

DEMOCRATS PUT STEVENSON FIRST

Gallup Poll of Democratic voters, dated September 14, 1955, showed these preferences for the 1956 nomination:

Adlai Stevenson	55%
Estes Kefauver	16%
Averell Harriman	6%
Richard B. Russell	6%
Sam Rayburn	5%
Others; no opinion	12%

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gestions that Mr. Nixon be dropped from the ticket in 1956.

Moreover, some of the stanch supporters of the late Senator Robert A. Taft, of Ohio, are swinging their support back of Mr. Nixon in their private discussions, indicating that the Vice President may be one of the few men able to bridge the gap between the Eisenhower forces and the old Taft group.

Still mention of Warren. There are close friends of the President, however, who feel that if it came to the point of choosing a successor, instead of a vice-presidential candidate, Mr. Eisenhower would prefer Chief Justice Earl Warren over Mr. Nixon. He regards the views of Mr. Warren as coming closest to his own.

The Chief Justice, however, has thrown a road block in the way of a presidential nomination for himself. Last April, after a Gallup Poll had indicated that, next to Mr. Eisenhower, Mr. Warren might be the strongest Republican candidate the party could put into the field, the Chief Justice issued this statement:

"When I accepted that position [of Chief Justice], it was with the fixed purpose of leaving politics permanently for service on the Court. That is still my purpose. It is irrevocable. I will not change it under any circumstances or conditions."

The statement comes close to the firmness of the 1884 statement of Gen. William Tecumseh Sherman that: "I will not accept if nominated, and will not serve if elected."

There are some Republicans who think the President might be able to persuade Chief Justice Warren to change his mind. Plenty of other Republicans are inclined to take the statement of the Chief Justice for what it says and look elsewhere for a prospective candidate.

If the names of Mr. Eisenhower and Chief Justice Warren are dropped from the list, the polls put Mr. Nixon in front position in the esteem of Republican voters. A fourth of the Republican voters indicate a preference for Mr. Nixon at the head of the ticket if Mr. Eisenhower is not in the race. But the Vice President is not to have smooth sailing.

Trouble in California. Mr. Nixon is sure to have trouble winning the support of his home State in the Republican Convention. California has two other potential candidates for President in Governor Goodwin J. Knight and Senator William F. Knowland. The two have teamed up to block the choice of Nixon delegates for the Convention.

The California situation is muddled by the rivalries of these three men. There have been suggestions that the big delegation from that State would go to Governor Knight as a "favorite son" candidate But the maneuvering among the three Republicans still is going forward. It could result in a showdown contest among the three, with each of them battling it out in a presidential primary next spring for control of the delegation.

Mr. Knowland's position in the party is one that often has brought him into conflict with the President's views, even though the California Senator is the spokesman for the Administration in the Senate. It was the late Senator Taft who brought Mr. Knowland to a place among the party's policy makers and started him on the road to the Republican Leadership in the Senate.

In the remaking of the party undertaken by the Eisenhower Administration, many of the old Taft advocates have been crowded to the edge of the party.

The foregoing situation tends to weaken the chances that Mr. Knowland might draw the approval of the President for a race in 1956. Republicans say that, without the backing of the President, the odds are against Mr. Knowland's winning a place at the head of the ticket. The Eisenhower hand is expected by Republicans to rest heavily upon the Convention.

On the same basis, Republicans who know the situation say that there is little chance that a candidate such as Senator Everett Dirksen, of Illinois, or Senator John W. Bricker, of Ohio, would emerge with the nomination. As the plans progress, however, Republican leaders expect to hear shouts for these men from such States as Montana, Arizona, Illinois, Indiana, Nebraska, New Mexico, North Dakota, Ohio, South Dakota, West Virginia and Tennessee. Factions in these States still are opposed to the Eisenhower program.

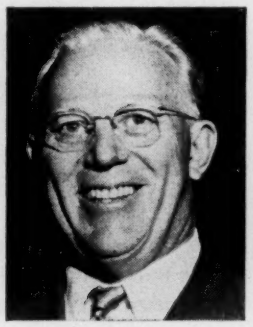
The power of the President, however, is dominant in every corner of the party. If his aides can maintain their present degree of control over party affairs, they say, Mr. Eisenhower can name his man. There may be some bitter words before the President's candidate gets the endorsement of the Convention, but the Eisenhower power is firm.

What about Dewey? In this situation, Republicans are giving a fresh appraisal to the position of former Governor Thomas E. Dewey of New York. He won the nomination twice and helped Mr. Eisenhower to the 1952 nomination. His views are close to those of the President.

Friends of Mr. Dewey say, however, that the chances are strong that he will not come back into politics. He is busy

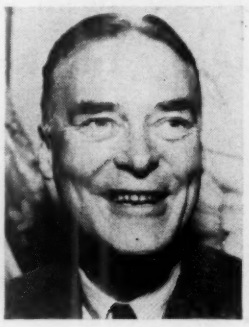
REPUBLICANS HAVE THESE TO CHOOSE FROM

NIXON



WARREN

KNOWLAND



HERTER

STASSEN

DEWEY

with a big and profitable law practice in New York. He has shown no wish to get back into politics.

Mr. Dewey is certain to be consulted, however. His former lieutenants are sprinkled through the Federal Government in strategic places. His former political strategist, Herbert Brownell, Jr., is Attorney General. His former press secretary, James C. Hagerty, holds the same place in the White House. John Foster Dulles, the Secretary of State, is a long-time friend and associate of Mr. Dewey.

On the side lines stands former Governor Harold E. Stassen, of Minnesota, who swung to Mr. Eisenhower in a crucial moment of the 1952 Convention. He now is a White House aide. His ideas are close to those of the President. His friends are speaking hopefully; but the Republican leadership shows no inclination to place Mr. Stassen at the top of the list.

There is a long line of eligibles standing back of Mr. Stassen, including such men as Henry Cabot Lodge, Jr., chairman of the U. S. delegation to the United Nations, and Governor Christian Herter of Massachusetts. Mr. Eisenhower will have plenty of men to choose from.

The Republican choice rests almost wholly in the hands of the President, as things stand. And many of his friends are convinced that the decision is to fall upon Vice President Nixon.

Democratic scramble. In the meantime, a battle is beginning among Democrats. Two weeks ago, there seemed to be a dearth of candidates. Now they are bobbing up all around the country.

Mr. Stevenson, the 1952 candidate, holds a wide margin of popular support in Democratic polls, as he has for more than a year. Yet questions are being raised about his health. He has had illnesses of his own in the last two years. And Republicans say they are well prepared to tackle him again.

Second in the running in Democratic polls is Senator Estes Kefauver, of Tennessee. Back of his name are bunched those of Governors Averell Harriman of New York, G. Mennen Williams of Michigan and Frank J. Lausche of Ohio, Senators Richard B. Russell, of Georgia, Stuart Symington, of Missouri, and Robert S. Kerr, of Oklahoma, and the Speaker of the House, Sam Rayburn, of Texas.

The real choice of a candidate, however, is done not on a basis of polls—but by party leaders, in a convention, on a basis of practical politics. Even in States where presidential primaries are held, delegates often are not bound by the decision of the voters.

Among the Democrats, Mr. Harriman and Mr. Williams will meet strong opposition from Southern delegates because of their past positions on the civil-rights issue. In the same way, Senator Russell will be strongly opposed by Northern delegates. Speaker Rayburn, at 73, is not interested in running.

Stevenson opposition. Mr. Stevenson was unable to hold the Solid South in 1952. Virginia, Texas, Tennessee and Florida broke away. The fact that he once was nominated, and lost, is being used against him. In the North, the big-city party workers are cold toward him. All of this is sure to count against him when the big showdown comes in the Democratic Convention. They are factors that could lose Mr. Stevenson the nomination.

There is some talk of turning to Governor Lausche as a compromise candidate. He has been elected again and again by the voters of Ohio at times when the State was electing Republicans for many other offices.

Yet there are some who will argue that the religious beliefs of Mr. Lausche, a Catholic, would count against him in a national political campaign. They will cite the 1928 defeat of Alfred E. Smith, also a Catholic, as an argument why the Democrats should not take a chance with a religious issue in 1956.

In connection with this situation, a recent Gallup Poll asked: "If your party nominated a generally well-qualified man for President in 1956, and he happened to be a Catholic, would you vote for him?" The Poll reported that 69 per cent of the people questioned answered "yes."

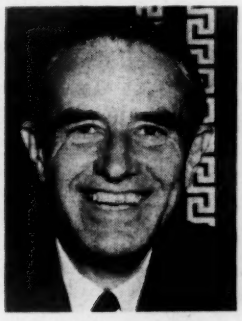
Quite a few other names will be dropped into the Democratic Convention as "favorite son" candidates in the hope that the party might turn to them as a compromise in the North-South fight. This applies especially to men from Border States and to Democratic Governors in Northern States whose names have not been associated with the civil-rights battle inside the party.

Kefauver's chances. At the moment, most Democrats agree, the two men who must be beaten for any other candidate to have a chance are Mr. Stevenson and Mr. Kefauver. The latter developed a strong appeal for Northern delegates in 1952, but, even though from Tennessee, he never did win the support of the Deep South.

Politicians say that polls, taken when the country is not warmed up to politics by a campaign, give little clue to what would happen in a campaign. But they read the polls, nevertheless. And the Gallup polls, taken this year, indicate that Mr. Stevenson and Mr. Kefauver are the

DEMOCRATS HAVE THESE TO CHOOSE FROM

STEVENSON



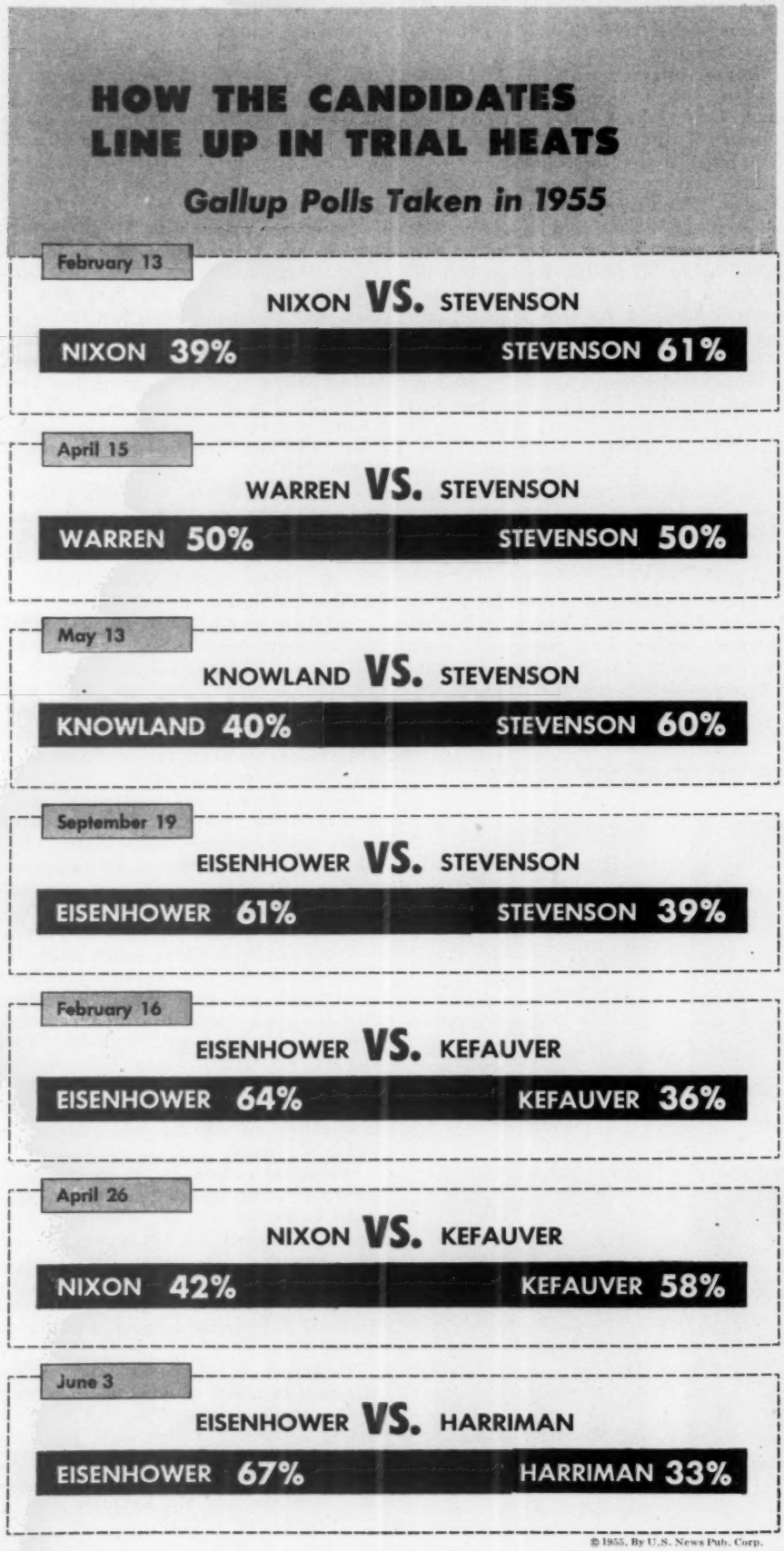
HARRIMAN

KEFAUVER

WILLIAMS

LAUSCHE

RUSSELL



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two strongest candidates the Democrats have in sight now.

The primaries of next spring are to play an important part in the Democratic battle. "The primaries may not mean too much in the way of delegates," says one politician, "but they do keep a candidate's name in the papers. The Convention knows him when he shows up there."

For Republicans, the problem of picking a candidate is a real one. Mr. Eisenhower showed a popularity that cut across party lines. Recent polls indicated that he could beat any Democrat whose name has been mentioned and that he would defeat Mr. Stevenson by a larger margin now than he did in 1952.

Several polls reflect the peculiar nonpartisan position into which the President had moved in the minds of voters. In one poll, 49 per cent of Democrats and 55 per cent of Republicans said they would vote for Mr. Eisenhower on a Democratic ticket.

In another poll, taken in August, 1955, 55 per cent of the Republicans and 54 per cent of the Democrats said the President occupied a position somewhere between the two parties. Only 37 per cent of Republicans and 32 per cent of Democrats regarded him as more of a Republican than a Democrat.

A third poll asked men and women who had voted for Mr. Eisenhower in 1952 which party they would register with if they were signing up now to vote. Sixty-nine per cent of them said they would register as Republicans and 31 per cent, or almost a third, as Democrats.

It was this unusual pulling power of Mr. Eisenhower, reaching across party lines, that had given Democrats a defeatist attitude when they contemplated the job of running against him in 1956. But, if the President's name is not going to be on the ticket, the Democrats think they have a real chance to win.

Republican philosophy. Leading Republicans contend, though, that they do not require Mr. Eisenhower on the ticket in order to win. They are gambling on the chance that the solid endorsement of their candidate by a popular President, the prestige of Mr. Eisenhower's name, plus prosperity and peace, will take their candidate into the White House next year. If they can keep prosperity at a high level until voting time, and can keep international affairs on an even keel, they may dust off the slogan of "don't rock the boat" for 1956.

As it stands today, no politician in either party is willing to make any positive predictions about 1956. But most of them agree that Richard M. Nixon is in a favorable spot on the Republican side, and Adlai Stevenson has a good fighting chance among the Democrats.

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Conservative Coalition Will Stay in Power

CAN REPUBLICANS WIN CONGRESS IN 1956?

History Shows This—

IN 1948

Republican Dewey, for President, got 45.3% of the vote.

Republican candidates for Congress got 46.3% of the vote.

Division of Congress—

Senate: **54 Democrats, 42 Republicans**

House: **263 Democrats, 171 Republicans, 1 other**

IN 1950

No election for President.

Republican candidates for Congress got 49.7% of the vote.

Division of Congress—

Senate: **49 Democrats, 47 Republicans**

House: **235 Democrats, 199 Republicans, 1 other**

IN 1952

Republican Eisenhower, for President, got 55.4% of the vote.

Republican candidates for Congress got 49.8% of the vote.

Division of Congress—

Senate: **47 Democrats, 48 Republicans, 1 other**

House: **213 Democrats, 221 Republicans, 1 other**

IN 1954

No election for President.

Republican candidates for Congress got 47% of the vote.

Division of Congress—

Senate: **48 Democrats, 47 Republicans, 1 other**

House: **232 Democrats, 203 Republicans**

IN 1956

Recent history suggests that the vote for Congress does not coincide with the political strength of the presidential candidates.

Basic data: Congressional Directory, Gallup Poll

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How Republicans can win Congress in 1956: Keep all the seats in Congress they now control, and pick up two additional seats in the Senate, 15 in the House.

Democrats, now in control, have the edge, with their backlog of "sure" seats in the South, Border States, big cities.

A shift in control of Congress may not alter basic policies much. But, in politics, winning Congress is a big prize.

One point stands out clearly in the 1956 political picture. It is this:

Regardless of the party that wins control of the White House next year, the real direction of Congress will not change much.

This has been true ever since the edge was taken off the New Deal in 1938. There is nothing in sight on the political horizon that seems likely to alter the situation in 1956.

Whatever may be the name or the party of the man in the White House, it is Congress that writes the nation's laws. And Congress sets its own course.

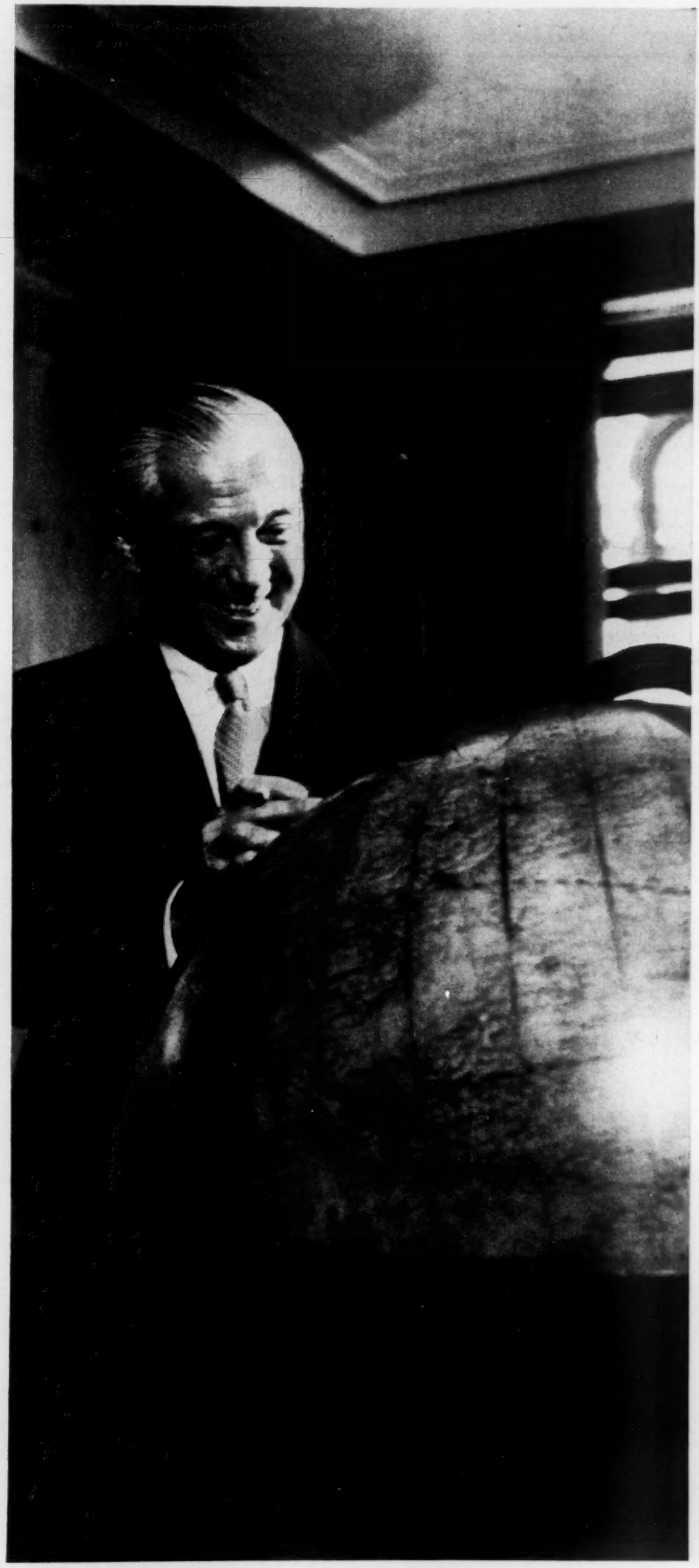
With Democrats in control of Congress, and a Republican President, the nation has moved along a fairly steady course. Two Texans—Speaker Sam Rayburn, in the House, and Senator Lyndon Johnson, Democratic Leader in the Senate—sometimes rounded up Democratic votes to help put through measures for President Eisenhower.

If leadership changes to the Republicans, Representative Joseph W. Martin, Jr., of Massachusetts, twice Speaker before, would take over again in the House. Democrats would give up committee chairmanships to the Republicans, but the basic philosophy of Congress would not show much change.

Nor would Congress alter its course appreciably if a Democratic President sat in the White House. The same "conservative" Democrats, backed up by "conservative" Republicans in secondary spots all along the line, would continue to fix congressional policies and write the laws.

Punitive tax legislation on business would remain taboo. Help for the farmer

(Continued on page 44)



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Mr. Edward C. Smith, Vice President of our affiliate City Bank Farmers Trust Company has traveled quite a bit, both as an overseas intelligence officer in World War II, and as part of his job in the Investment Advisory Department. That phase of his work entails liaison with First National City's far flung Overseas Division. So that added to his long experience with investments, Ed Smith brings to our Investment Advisory Committee, of which he is a member, an informed view of trends and conditions abroad.

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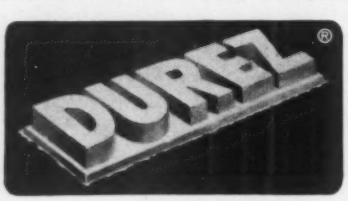


[*continued*] **OUTLOOK FOR CONGRESS RACES**

would stay near the top of the congressional agenda. International legislation, largely bipartisan in the last year or so, would move along about as usual. In the main, congressional voting would remain pretty much as it is now.

In a period of change, politicians point out that it is important to keep these facts in mind:

Republicans would like to win Congress to give a Republican President a little more freedom and to have more power for themselves. Democrats would like to win the Presidency to get control of the executive branch of the Government and more jobs for their friends. But the mainstream of congressional policy is to be little changed.

As it stands now, going into the 1956 congressional campaign, Democrats hold an edge over Republicans. They are in control of both branches of Congress.

Republicans need to hold the ground they now have in either house of Congress and win, in addition, two seats in the Senate and 15 seats in the House of Representatives if they are to take over the next Congress.

The Republican problem is complicated in the Senate by the fact that many of the Democratic candidates coming up for election in 1956 are from sections of the South where Republicans have no chance of defeating them. Moreover, in the States outside the South, Republicans have about twice as many seats in danger zones.

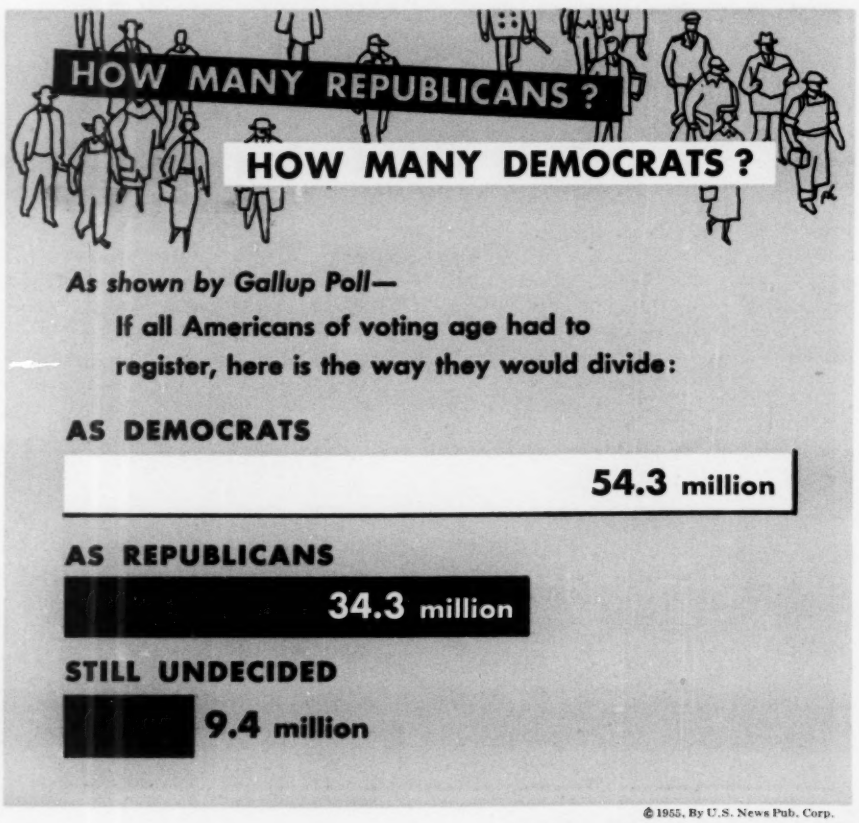
Thus, Republicans must fight hard to hold their ground in the Senate. Given a strong electoral tide running in their direction, they might pick up the pair of seats they need to capture that branch of Congress. But even their own leaders say it is going to be an uphill fight.

The battle by Republicans for control of the House is even more difficult.

To win the House, one party must capture 218 seats, a majority of the 435.

Democrats start off in their race toward this goal with upward of 100 seats, without lifting a finger. They are about halfway to control before they get out of the Solid South and the Border States.

The 11 Southern States hold 99 seats that Republicans have almost no chance of winning, even though under President Eisenhower they have raised their holdings in the South from an historic two in Tennessee to seven, scattered through five States. Numerous other traditionally Democratic seats in Border States of



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West Virginia, Kentucky, Oklahoma, Maryland and Missouri bring the normal expectancy of the Democrats to well over 125 seats.

Thus, when the Democrats emerge from their own safe territory into the Northern and Western States, they need fewer than 100 seats to get control.

There is a further narrowing of Republican opportunities in the battle outside the South.

In recent years, Democrats have been able to count on labor districts in the big cities to come up with from 60 to 70 of these seats. When the big-city winnings by Democrats fall below 50 House seats, the party is in trouble. In 1946, when they lost the House, they got only 41 big-city seats.

If the Democrats can count on 175 House seats from the South, the Border States and the big cities, as usually happens, this leaves only 260 seats across the country in which the real battle for the House must be fought. Of these 260, Republicans need to win 211 for control. But Democrats need to capture only 43.

This means that, in the battleground districts, Republicans have to win nearly five times as many seats as do the Democrats.

Thus, the Republicans are up against a very practical problem. If possible, they need a presidential candidate who can add a personal pull to the ticket, as Mr. Eisenhower did. It takes more than a drift of voters in their direction in the North. There has to be a real swing if they are to win.

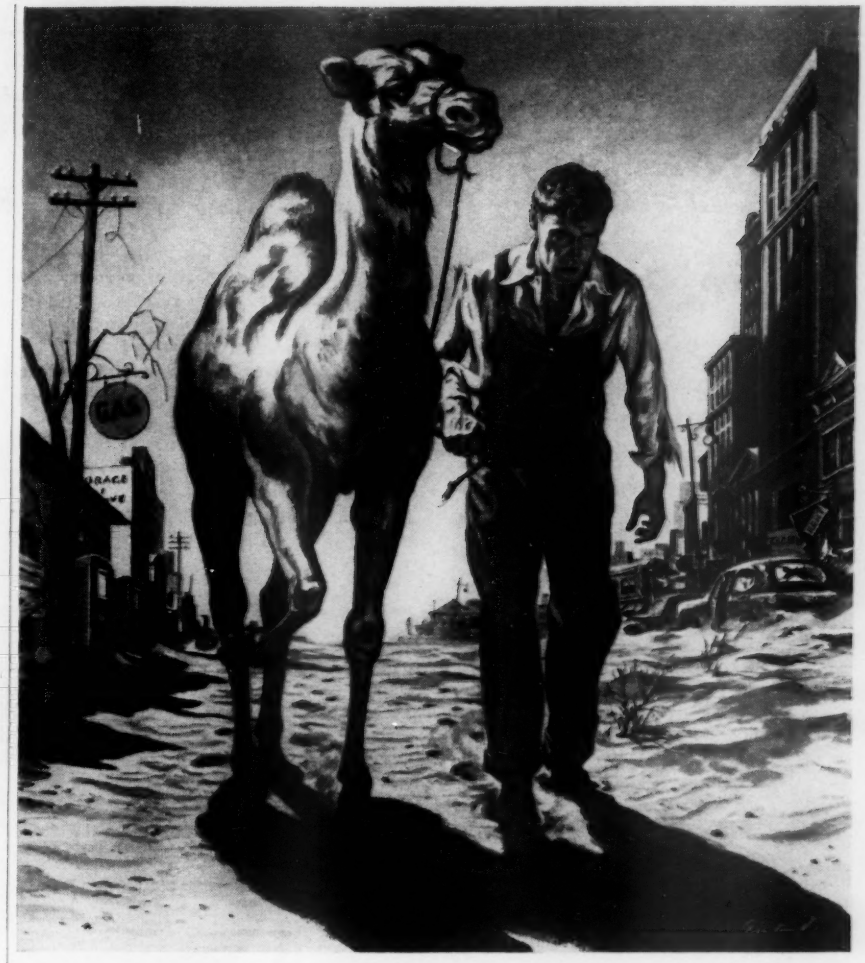
Another difficulty is the fact that Gallup polls and private studies say there are more Democrats than Republicans in the nation. This ratio ranges from about 8 Democrats to 2 Republicans in the South to a division of 55 Democrats to 45 Republicans in the North.

Republicans say that, if the predominantly Democratic big-city districts are omitted from the study and the figures are confined to the districts in which the Republicans have a chance of winning, the voter division works down to a point at which the chances are about even.

Northern farming areas and Northern mixed districts—partly farming, partly industrial, partly suburban—are the decisive areas, Republicans say, in any House battle.

All across the North, Mr. Eisenhower ran only 1.8 percentage points ahead of Republican candidates for Congress in 1952. It was his Southern vote that built up the President's percentage to a nation-wide lead of 5.6 percentage points over the congressional candidates of his party.

These are some of the figures that Republicans are weighing as they prepare for the 1956 congressional fight.



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OVERSEAS, THEY'RE WORRIED—

With Ike Ill, Who Will Run U. S. Foreign Policy?

As the world looks at Mr. Eisenhower's illness . . .

A survey shows up real concern abroad about even the temporary loss of Eisenhower's leadership of the Western Alliance.

Progress toward peace may be slower than ever. Russia, in no real hurry to unite Germany, or to disarm, can use the U. S. President's heart attack as an excuse. Soviets may revert to "cold war."

Reported from LONDON, PARIS, BONN, ROME, HONG KONG and TOKYO

Outlook for peace has taken a turn for the worse—that's the opinion of world leaders outside the U. S. since President Eisenhower's illness.

Real peace, as they see it, is further away than ever. Instead, they note signs of a "freeze" in the basic differences between Soviet Russia and the Western alliance, signs which may suggest a return to "cold war."

The new Soviet line, now emerging, begins to sound like this: "We trusted Ike. We don't trust his subordinates. We want peace and Ike knew it. We still want peace, but the Americans, with Ike ill, now are taking a tough line."

Allied officials, all speaking privately, do not suggest that this growing "freeze" on big issues is due only to the President's illness. What they are saying is that Mr. Eisenhower's absence from Western leadership at this time is giving the Russians a ready-made excuse for stepping up the cold war if it looks profitable for the Kremlin.

A survey by *U. S. News & World Report* regional editors on the spot in London, Paris, Bonn, Rome, Hong Kong and Tokyo suggests that there is much fertile ground for such Soviet propaganda.

Allied leaders, to a man are shocked at the sudden removal of the President from active direction of the Western Alliance. "We are deprived, for the present, of a leader we trust," said a top European official. "Now watch the bickering break out again."

In addition, there is real concern about the direction U. S. foreign policy now may take. Rightly or wrongly, many foreign officials believe that the President, through his personal prestige, has checked military and political subordinates who, they think, "want to get tough with Russia."

All this concern plays into the hands of the Kremlin. Ever since the "summit" meeting of President Eisenhower with Russian, British and French leaders in Geneva earlier this year, Soviet propaganda has tried to claim "the Geneva spirit" as a Soviet creation. But Moscow, aware of the President's great personal prestige as a "man of peace," has been careful not to attack Mr. Eisenhower personally.

Now, scarcely a month before the Big Four Foreign Ministers are to meet in Geneva to see what can really be accomplished on major issues such as disarmament and German unity, Mr. Eisenhower is ill, out of action.

In London. You can get officials of the British Government to admit privately that they fear a shift in the Eisenhower team, a move toward a policy of toughness toward Communists, a serious gap between American and British positions on common problems.

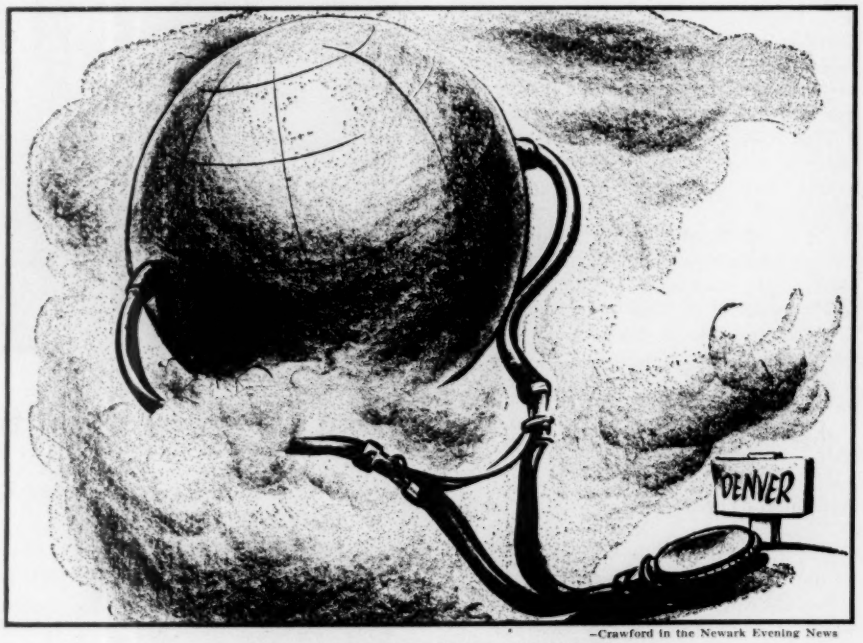
British Prime Minister Sir Anthony Eden and U. S. Secretary of State John Foster Dulles are known to have personal differences. Many British Foreign Office officials privately regard Mr. Dulles as "somewhat a wild man" who needs to be restrained by the President's direction of U. S. world policy.

The British do not know much about Vice President Richard M. Nixon. If he were to take over the presidential duties they would be at a loss in knowing how to deal with him.

Other officials in the Eisenhower team also are viewed with suspicion by British officials. Secretary of the Treasury George M. Humphrey is identified in London as a "hard-money man" who wants to cut down U. S. aid abroad. Defense Secretary Charles E. Wilson is considered the prime enemy of lower tariffs and of "trade not aid."

To understand British concern, it is necessary to remember that Mr. Eisenhower is well known personally to many top British officials as the wartime and postwar commander of Allied forces in Europe. "Without Ike," said an official in London, "we face the frightening unknown."

In Paris. There is real concern among French officials that the President's illness



—Crawford in the Newark Evening News

"THE WHOLE WORLD LISTENS"
For the West, worry; for Russia, an opportunity

may bring a shift in U. S. policy at a time, as often in the past, when French Cabinets are shaky, French leadership uncertain.

Along the broad boulevards and in the squares of Paris, where Frenchmen meet for café talk, there is much speculation about the American President's illness and its meaning for France.

Officials of the French Government, with trouble enough in North Africa, where natives demand more freedom, now fear a return of cold war, perhaps more trouble with Communists here in France proper.

U. S.-German relations also worry Paris. Frenchmen, always suspicious of Germany as an ally, have much confidence in President Eisenhower. They feel that his military background makes him aware of the dangers in rearming Germans. Without Mr. Eisenhower directing U. S. policy, Frenchmen fear the U. S. may move toward Germany, away from France.

In Bonn. There is much concern among German officials about Soviet policy toward a U. S. Government operating without Mr. Eisenhower's active leadership—more than there is about U. S.-German relations.

Chancellor Konrad Adenauer is pictured privately as most anxious to get into the closest possible co-operation with the U. S. at this stage. He is under attack for giving away too much for too little in his negotiations with the Russians in Moscow. Now he is counting on the U. S. to stand firm for uniting Germany only through free elections, not by any Soviet formula designed to preserve a Communist East Germany.

In Germany, there is widespread interest in Mr. Eisenhower's health. Germans consider the President the outstanding Allied champion of negotiations for peace. Mr. Adenauer, however, has had good personal relations with Mr. Dulles in the past and is out to make them still better in the future.

In Rome. Italian officials are frankly apprehensive about the future of U. S. foreign policy. The ailing U. S. President is popular among Italians.

Italian officials, privately, worry about the loss, however temporary, of what they call Mr. Eisenhower's "human touch." One official called Mr. Nixon "young and lacking in wise discretion." Another called Mr. Dulles "too cold, too rigid, for us."

In Hong Kong. Within the British crown colony where Asian opinion is assessed, officials expect, at least for the present, no change in U. S. policy in Asia.

For the longer term, however, there is growing concern, particularly among the

(Continued on page 48)

Almost every week there's something new on The Milwaukee Road. Right now freight yards at several points on the line are being enlarged and a new "push-button" yard is being built to serve St. Paul-Minneapolis.

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[continued] **OVERSEAS, THEY ARE WORRIED**

British. They fear that those American leaders who want a "tough" policy in Asia may swing the U. S. away from the Eisenhower policy of moderation.

You hear a lot of amateur politicians guessing about the political future in the U. S., much speculation about what a Democratic victory in 1956 would mean to foreign policy. "Without Ike," said the *South China Morning Post*, "the Republicans would have reasons for despondency."

In Tokyo. The Japanese are saying that the temperature of relations between the Communist bloc and the West may be lowered from mild warmth to down-

—Wide World

WEST GERMAN TROOPS
With Ike down, what? . . .

right cold if Mr. Eisenhower is forced to hand over his authority to others.

Japan is acutely aware of its position between Red China and Soviet Russia on the West and U. S. power in the Pacific. As Japanese officials see it, Soviet Russia may use the Eisenhower illness to take a more high-handed attitude, return to the old propaganda line that the U. S. wants war. This attitude, they fear, may encourage the more belligerent Americans and bring back active cold war.

Here's how one of the Japanese Premier's closest advisers on foreign policy sums up official fears: "Generally speaking, Ike's line toward Red China and Soviet Russia is softer than Dulles's line. I am somewhat apprehensive that the President's illness might provide Dulles with an opportunity to take a more belligerent stand toward the Communist bloc."

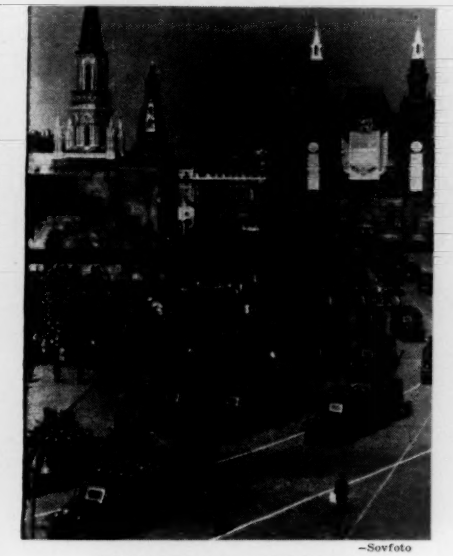
Most Japanese officials, however, expect Administration leaders to keep the U. S. close to the Eisenhower policies.

Nobusuke Kishi, leader of the Democratic Party, mainstay of the Government, has just returned to Tokyo from Washington. He says he expects little change in the Eisenhower foreign policy.

"It would be different in Soviet Russia, of course," said Kishi. "If a dictator became ill, then you would expect policy changes. But this reasoning does not apply to the United States."

All over the world. Among responsible Allied officials, the main concern about President Eisenhower's illness for the immediate future is how the Soviet leaders will choose to interpret it.

Political experts in Europe all agree that Soviet "concessions" to date have been on minor matters, that there has been no sign of any willingness by Soviet leaders to make any concessions on the major issues of disarmament and German unity.



—Sovfoto

RUMBLES IN MOSCOW
. . . new alarm in Bonn

Instead, they note, behind the Soviet smiles, Russian policy has been more unyielding than ever. Chancellor Adenauer in Moscow found the Russian leaders adamant in their refusal even to discuss German unity at this time. And Premier Bulganin's letter to Mr. Eisenhower, a few days before the President was stricken, was widely interpreted abroad as a wary refusal to accept the Eisenhower plan for aerial inspection of disarmament.

The world without Eisenhower's leadership, at this stage, is worried—fearful of shifts in U. S. foreign policy, still more fearful that Soviet Russia may use the President's illness as an excuse to go back to cold war.

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FROM THE CAPITALS OF THE WORLD

WASHINGTON....CAIRO....BONN....

>> On the one hand, operating under the "spirit of Geneva".....

Communist China says it will soon withdraw six divisions from North Korea. Peiping doesn't say how many will remain. Soviet Russia, having pulled all its troops out of Austria ahead of schedule, now announces it will release more than 9,000 German prisoners of war, as promised to Chancellor Adenauer.

>> On the other hand, also under the "spirit of Geneva".....

Soviet arms are being offered to Egypt, in the explosive Middle East.

Soviet diplomats are: (1) undercutting all Western plans for unification of Germany; (2) working overtime to lure West Germany away from the U.S. side; (3) hinting at a new Berlin blockade; (4) strengthening the Communist bosses of North Vietnam by buying rice from neutral Burma for hungry Vietnamese.

Communists outside Russia are stirring up strikes in France and Singapore, going out of their way to keep the pot boiling in North Africa and Cyprus.

>> Soviet maneuvering has paid off in the Middle East. Egypt's willingness to buy arms from the Soviet bloc has to be recorded as a major Soviet victory.

Overnight, Soviet Russia has emerged in the role of friend of the Arab world, willing to help the Arabs with arms in their fight against Israel--and at the same time accept in return cotton that Egypt has trouble selling.

Moscow's foot is in the door of the Middle East at last.

The West's hold on the oil of the Middle East, Western hopes for defense build-ups in the area are clearly in jeopardy.

For a long time the Turks kept Russia out of the Middle East. Then Britain took over the job. Now the Arab states themselves, having forced Britain out and kept U.S. at arm's length, seem to think they're ready to take charge.

Arab weakness, disunity are overlooked or minimized in Arab capitals.

For Soviet Russia, it's an ideal situation, practically a setup.

>> It doesn't matter much to Moscow whether Egypt now buys its arms or not.

If arms are sold to Egypt, other Arab countries--notably Saudi Arabia and Syria--will get in line to buy Soviet-bloc arms on easy credit terms. Soviet technicians will accompany the arms into the area--to stay until forced out.

If arms aren't sold, Moscow can still win. Soviet diplomats in the United Nations can now be expected to demand a voice in the U.N. arrangement under which U.S., Britain, France control arms shipments into the Middle East. Arab votes in the U.N. will probably support this Soviet move.

By this maneuver, if it works, Moscow can get a foot in the Middle East's door. Once in, this foot will be difficult to dislodge.

(over)

Whether this maneuver works or not, Moscow right now can chalk up a big gain. It has slipped into the Middle East right under the noses of Britain and U.S., and technically on invitation of the Arabs. Soviet influence and prestige are up. Russia can pose as the one big power the Arab world can count on.

>> When you ask why Moslem Egypt, anti-Communist, turns to Moscow for arms.....

U.S., for one thing, questions Egypt's need for a big increase in arms.

U.S., in addition, has a domestic political situation to give it pause. Many U.S. Jews, pro-Israel, oppose U.S. arms aid to any state hostile to Israel.

Premier Nasser of Egypt understands all this. Besides, he has his troubles at home, too. Things are not going too well. And, if a dictator can stir up a fuss abroad, it often takes the public's mind off the troubles at home.

As Nasser figures it, his bid to Russia may force the U.S. to come through with more aid--money, if not arms--than he could extract in any other way.

It's another hot spot for U.S., a comfortable one for Soviet Russia.

>> In Bonn, West German officials who accompanied Adenauer on his trip to Moscow are beginning to talk rather freely about the top men in the Kremlin.

From a candid report by one high official in Bonn.....

Khrushchev: "An uneducated but highly intelligent peasant. He exudes strength and vitality. You half expected him at any moment to jump up on the table and pound his breast, like a gorilla.

"The Chinese, to Khrushchev, are a wonderful people--a Chinese couple is content with a handful of rice apiece, and one shirt for the two of them."

Bulganin: "Looks like a doctor from a small provincial town, courteous, experienced in administration, in appearance the benevolent father.

"But the lower part of his face can freeze. His speech can be brutal. Of the German prisoners he said: 'Your German soldiers have come to Russia, and there they lie buried under the Russian earth, all of them.'"

Malenkov: "He looks different from his photos. He's a man of great charm. He is reserved, intelligent, held in high respect. But he's a sick man."

Molotov: "Definitely belongs on a lower level."

In general: "Most of the high officials are surprisingly mediocre."

>> Soviet flattery has nevertheless left the German officials who traveled to Moscow uneasy, bemused. As the Moscow story comes out, bit by bit.....

It was flattering for the Germans to have Soviet leaders say that the Germans are a great people, that the Soviet Union wished nothing more than to stand side by side with them. When Adenauer said that West Germany was a small nation and could never think of waging war against the mighty Soviets, the reply of Bulganin was: "No, you are a great nation."

Flattery extended to the private talks, as well. Several Soviet leaders hinted at a German-Soviet alliance. If Germany stands with us, they said, then nobody in the world will attack us, and there will be peace in the world.

>> An even heavier dose of Soviet flattery is in store for the Germans.

A Soviet embassy in Bonn, a result of Adenauer's trip to Moscow, will put Soviet diplomats in daily contact with West German officials, permitting the Soviet wooing to go on 24 hours a day, seven days a week.

U.S. observers hope the Germans can withstand this, but aren't sure.

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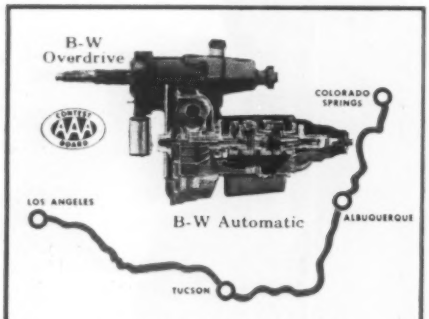

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OTHER HEART-ATTACK VICTIMS HAVE RETURNED TO THE JOB

Ike Can Take Hope From Leaders Who Scored Comebacks

Top-level men spotted all through the Government are having heart attacks. A close look at what's happening shows this:

• Among victims are a Cabinet member, a Supreme Court Justice, an ex-Ambassador, a Governor, at least eight members of Congress including the Senate Majority Leader.

• U. S. armed services are having this same problem, with their generals, admirals.

• Few get any warning. Mr. Eisenhower, the latest victim, was watched carefully, had normal blood pressure, normal pulse, appeared in excellent health, still was stricken.

But the record of others' experiences shows that most recover, find they are able to fill their old jobs after convalescing.

Heart attacks and ailments related to the circulatory system of the individual seem to be growing more common among people high in Government service. At the same time, the record indicates that in many cases these individuals either remain in Government service or return to it.

Lyndon B. Johnson, Democratic leader in the U. S. Senate, was stricken by a heart attack in July. He plans to be back in his seat as Majority Leader when Congress returns January 3. Recuperation took two months. The Senator is now regaining strength at his Texas ranch.

That case, moreover, is only one of many. Last April, Representative Daniel A. Reed, at 80 the top Republican spokesman in the House on tax matters, had an attack while in Italy. He came walking down the gangplank a few months later, and plans to take up his old duties when Congress reconvenes. All told, at least eight members of Congress have had such experiences.

On pages 58 and 59, you get a look at some of the more prominent victims of heart ailments, and their comments on the President's heart attack.

All returned, or plan to return, to high-pressure jobs after a short period of convalescence. They are part of a group which includes a Cabinet member, a Supreme Court Justice, a Governor and an Ambassador, as well as Congressmen.

An order: Take it easier. High military officers are following the same pattern, in a growing number of cases. Within the last few weeks, both the Air Force and Navy have issued warnings to their senior officers that heart attacks are becoming too frequent, that generals and admirals must take more time off from their jobs. Half a dozen recent cases of heart attacks, most of them involving senior officers stationed in Washington were cited.

The services are ordering their executives to take an afternoon off in the middle of each week, whenever possible, and to use all allotted vacation time by taking frequent leave periods each year.

The President's supervised life. Despite precautions, under the pressure of top-level Government jobs, heart attacks often hit with no advance warning. This was so in President Eisenhower's case, for he probably has worked under closer medical observation than any other active executive.

Even the President's daily diet has been supervised by his personal physician, Maj. Gen. Howard McC. Snyder. Frequent checks were made of Mr. Eisenhower's weight—maintaining normal weight is considered important in avoiding heart strain—as well as of his physical tone.

Every six months, moreover, Mr. Eisenhower has undergone a two-day physical examination so complete that it requires the services of at least nine top-flight physicians—including one of the nation's most prominent internal-medicine physicians, a gastro intestinal specialist, a urologist, an orthopedic surgeon and specialists in the ear, nose and throat, the chest and the eyes.

—Farrar, Straus & Cudahy, Inc.

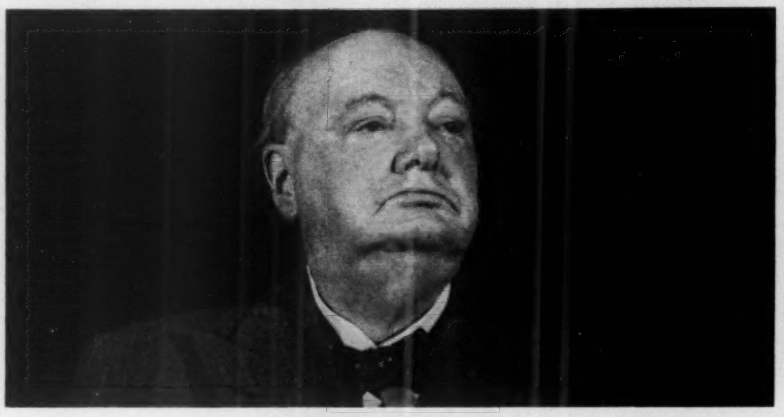
THE PRESIDENT'S PARENTS
Father lived to 79, mother 84

What record shows. A review of the President's heart records for the last 10 years was made just a few weeks ago, as a check for any evidence of increased susceptibility to heart attack. Annual cardiograms, taken since 1946, were compared with two made in March and August this year and the record showed "no diversion" whatsoever.

Mr. Eisenhower's blood pressure, another critical test of the health of a man in his 60s, was reported in recent weeks to be better than it was before he became President. The recent report: 142 over 86, considered "normal."

Heavy smoking, many doctors believe, contributes to the strain on

WHEN SIR WINSTON CHURCHILL HAD A STROKE—



LONDON

A stroke that paralyzed Sir Winston Churchill in the summer of 1953 forced him out of public life for more than two months of his final term as Britain's Prime Minister—but most people in Britain didn't even know he was ill.

What follows is an authoritative account of the Churchill illness, with many details never before made public. Even in sketchy form, this story has not yet been told to the British by official sources.

Actually, Mr. Churchill had a mild stroke in 1949, at a time when he was out of office. It was very slight, leaving him with a minor speech impediment that disappeared in a matter of days. All traces of that illness had vanished by the time he returned as Prime Minister in 1951.

In 1953, however, the Prime Minister suffered a serious stroke that paralyzed him completely and strongly affected his power of speech. Sir Winston was stricken at No. 10 Downing Street on June 24, at the close of an official dinner.

The next day Prime Minister Churchill failed to show up in the House of Commons—but his absence was not reported by the British newspapers. No public announcement of his stroke ever was made. It was not until March 2 of this year that Sir Winston himself arose in Commons and said that he had been through "a very serious illness which paralyzed me completely physically." He resigned in April.

The stroke in June, 1953, left Sir Winston speechless for 12 hours. The only public intimation that anything was wrong came on Friday, June 26, when Mr. Churchill's personal physician issued a brief bulletin saying that he had advised the Prime Minister to postpone plans for a July 8 conference in Bermuda with President Eisenhower. The doctor's bulletin said only that Sir Winston was in need of complete rest.

As it turned out, Sir Winston's recovery from the paralytic stroke was so rapid that it amazed British doctors. Within a few days his voice was normal again. In August he returned to London from the country estate where he had been convalescing. In September he was appearing in public and attended the races as the Queen's guest. By early October he was back in the full swing of public life. He made a 52-minute speech at a Conservative Party conference—a performance that astounded his doctors.

All through this period the British public knew practically nothing of the real extent of their leader's illness. Government business went on as usual. No major decisions were postponed because of the illness. By December, Sir Winston and President Eisenhower were meeting in Bermuda.

The ability of the Government to keep the 1953 illness secret was helped immeasurably by the fact that Parliament recessed for the summer a few days after the Prime Minister was stricken. There was no need for Sir Winston to make regular appearances in the House of Commons.

Actually, the first authoritative hint about the real nature of the illness came from Prime Minister Churchill himself—and it was nearly two years after he had been stricken.

Government officials' hearts. But Mr. Eisenhower, who once smoked two or three packs of cigarettes a day, gave up the habit before he assumed the Presidency.

Previous attacks? "No!" Any record of heart trouble would have given a tip-off that an attack could be expected. Stories have circulated in Washington that Mr. Eisenhower had two earlier attacks, during and after World War II. A careful check with one of the President's staff in Denver, however, cleared up these questions:

- Do Mr. Eisenhower's Army records actually show, as rumored, that he had a heart attack in 1943? The answer given is a definite "no."
- How about reports that he had a rather severe heart attack in 1949? That, too, is denied emphatically. The incident involved actually concerned a severe attack of gastroenteritis. It followed a dinner at which Mr. Eisenhower ate highly spiced Mexican food, of which he is very fond. It was established, at that time, that there was no sign of a heart condition.

Another story, published by a columnist, that the Chief Executive has had very high blood pressure all along and that his doctors have been covering this up, is also denied by the same Denver source.

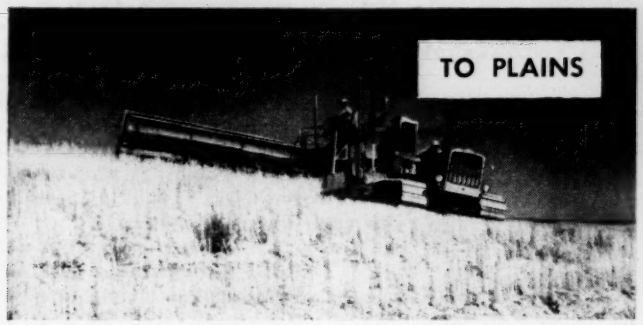
What about telltale changes in the President's pulse and blood pressure before the heart attack? There apparently were none. Blood pressure is reported to have been normal right up to the attack. There have been "moderate" changes but no "material" changes since the war days in North Africa.

Recent medical reports on the President show, in fact, a man in far better than average condition, who has had little or no sickness and has taken good care of himself. The reports show that his pulse rate was normal, in the 60s or 70s. His weight was 178 pounds, nearly ideal for his height of 5 feet, 10 inches. Even his hearing tested as normal.

Heredity apparently was in Mr. Eisenhower's favor, too. His father lived to a vigorous 79 without sickness, his mother to 84 without any major illnesses. His grandparents lived longer than normal lives and had robust constitutions, the elder Eisenhower surviving until age 80. All but one of the President's five brothers are still alive and vigorous. Roy Jacob Eisenhower died in 1942, at 50, of a paralytic stroke.

So there seems to be no history of heart trouble among members of the President's immediate family. Reports of his parents' deaths gave no specific ailments, say death was from "old age." His mother, in fact, died in her sleep, and friends reported no recognizable illness preceding death. The family doc-

(Continued on page 58)



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[continued]

OTHER HEART-ATTACK VICTIMS

tor who attended both parents is no longer living, but left no reference to any heart ailments in the Eisenhower family.

Before—few ailments. Like other Government officials who have had heart attacks, President Eisenhower can point to a medical record that contains little in the way of other ailments since he took office.

In his first year in the Presidency, Mr. Eisenhower had a sore elbow, an inflammation that cleared up after repeated treatment. There was a mild attack of food poisoning, coupled with a "slight fever." And he received a slight scratch on his left hand, which cleared up quickly.

In 1954, his second year in the White House, the President had one cold and suffered from bursitis in his right shoulder. No other illness appears on his medical record for the year.

Thus far in his third year, Mr. Eisenhower has had two stubborn colds and some trouble with bursitis, but no other complaints until the heart attack.

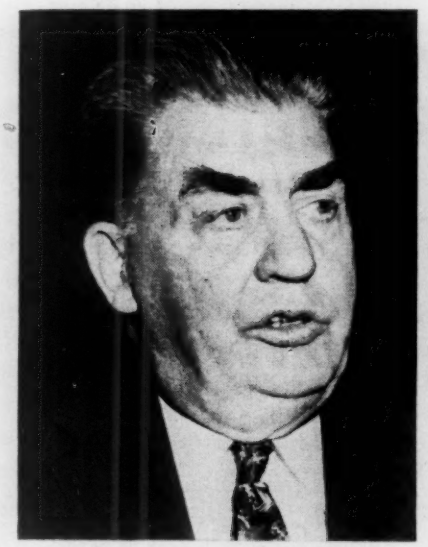
The general state of the President's health, as a result, had been described by his own doctor as consistently "excellent."

To help keep it that way, the President has watched his weight carefully ever since he assumed office. His doctor saw that rich foods, with heavy starches and sugars, were kept to a minimum. To help control his appetite, which the doctor calls "enormous," the Chief Executive has taken a "deappetizer," in water every day. He kept a can of this powdery substance in the back of his desk.

From others: encouragement. But Mr. Eisenhower, despite the best medical care available, had a heart attack. Interviews with other officials who have survived such attacks give a practical insight on his prospects now.

A former U. S. Ambassador says: "In 1949 I suffered a similar attack, but, thank God, since then I have enjoyed unusually good health. I'm doing a full day's work every day. Now I sincerely hope the President enjoys good health, in or out of office, for many years to come."

Representative Oliver P. Bolton (Rep.), of Ohio, reports that he sent the President a letter, saying in part: ". . . You learn to put the maximum into your work with a minimum of strain on your body. With this philosophy, I can testify from personal experience, you will be able to return to work as good as ever after a reasonable period of rest. The tensions and responsibilities of your job will be as great as ever, but you will



EDWIN C. JOHNSON
(Governor of Colorado)

HEART ATTACK IN 1955. "I have no doubt the President's tremendous courage, his abundance of common sense and his confidence in his physicians will carry him through with plenty to spare."

SHERMAN MINTON
(Supreme Court Justice)

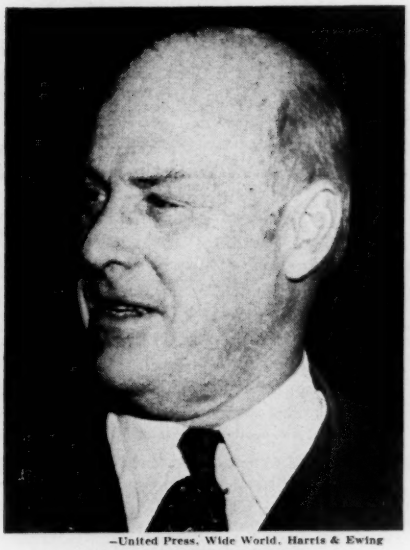
HEART ATTACK IN 1946. "Having had an attack myself, I feel encouraged and hopeful at the progress the President has made. He should take his doctor's advice and take things as easy as he can."

find, as I did, the pace at which you can take its physical and mental buffeting."

Representative Louis C. Rabaut (Dem.), of Michigan, suffered a heart attack in January, 1953, and returned to Congress soon thereafter. He adds this word of caution: "I am sure the President's situation is like mine—and I wouldn't be here today if I hadn't lived by my doctor's orders. I will write the President a letter advising him to obey his doctors. Speaking from experience, I'd say he should slow down as much as possible. Nothing like an immediate recovery is possible; it must be slow and gradual."

Maj. Gen. John T. Sprague, who commands Lowry Air Force Base where Mr. Eisenhower has maintained his Denver White House, had a heart attack two years ago. He now is back to a normal life, except for doctors' orders not to shovel snow or cut grass. "But," the General says, "who wants to do that anyway?"

Most come back. What it all seems to add up to is that Mr. Eisenhower, whose records show him to be a man of strong constitution, is only the latest in a large and growing number of men high in Government who have had heart attacks. Few had any warning. Some died, but most, the record indicates, find themselves able to return to work and again fill their exacting jobs, after a period of convalescence.



—United Press, Wide World, Harris & Ewing

SINCLAIR WEEKS
(Secretary of Commerce)

HEART ATTACK IN 1943. "A little time and a few precautionary measures put me back in topnotch condition. I am sure if the President is careful for a little bit, he will soon be back on his feet."

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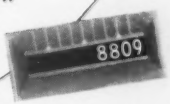

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WHEN PRESIDENTS BECOME ILL—

There's No Clear Line of Authority

Search back through U. S. presidential history and you'll find—

A President was incapacitated for 80 days when James Garfield was shot in 1881. Then, the Vice President refused to take over.

President Wilson suffered a serious stroke in 1919. The President's wife and staff acted in his place, that time.

But circumstances differ in '55. Precedents, actually, provide few answers to big questions now.

Important questions about the President's job are being raised by the illness of President Eisenhower, hospitalized with coronary thrombosis:

- What happens if a President becomes too ill to do his job?
- Who can take over the office from a living, but incapacitated, President?
- Who decides whether a President is too disabled to discharge the powers and duties of his office?
- If a President should be replaced, while ill, could he resume office upon his recovery, or would his successor continue as President?

Congress repeatedly has considered the question of succession. Lists of officeholders who can become President, and the order in which they would get the office, have been defined ever since 1792. In this, Congress has been as precise as a European monarchy listing princes in line for a throne.

Monarchies also provide for instances of the sovereign's disability. In Great Britain, for example, a five-member Council of State is established if the sovereign is under age, out of the country, or incapacitated either physically or mentally.

Need for rules to say how a disabled President's work can properly be done, perhaps by an acting President, has been talked about in Congress on several occasions. In 1947, when the present list of successors was being debated, several members of both houses pressed for solution of this problem.

Congress, however, has backed away from trying to write a law about presidential disability. Some Congressmen feel they do not even have the authority to write such a law, that a constitutional amendment might be needed.

In the past, when a President was disabled, he remained President. On two occasions, efforts were made to install the Vice President in office in place of an ailing Chief Executive. In each instance, the efforts failed.

James A. Garfield, shot by an assassin in 1881, clung to life for 80 days. The only official duty he was able to perform was the signing of an extradition paper. New York politicians, who felt that Vice President Chester A. Arthur was their a fight for ratification of the League of Nations Covenant when he was stricken. He determined to rouse support of the country with a nation-wide speaking tour, despite warnings by his physician, Dr. Cary Grayson, to conserve his strength.

On this trip, the President began to suffer from blinding headaches. In the middle of the tour, he collapsed. The tour was canceled when the presidential train reached Wichita, Kans. The announcement, however, revealed only that he was ill and needed complete rest.

Four days after his return to the White House, President Wilson suffered a stroke. The public was left in the dark about the true nature and extent of his illness.

Mrs. Wilson's role. At this stage, the President's wife took a hand in official business. First, she thought the President should resign. Doctors, she related later, said that resigning would remove an incentive for recovery, that his mind was clear and that he could continue to make decisions if she would help.

Without a law to guide them, attending physicians decided that a paralyzed man was able, with help, to do his job as President.

Mrs. Wilson sorted all official papers. She decided what was important enough for the President's decision, what was not.

Talk began in high circles about getting Mr. Wilson out of office.

(Continued on page 62)

If a President Cannot Serve, The U. S. Constitution Says This:

"In case of the Removal of the President from Office, or of his Death, Resignation, or Inability to discharge the Powers and Duties of the said Office, the same shall devolve on the Vice President, and the Congress may by Law provide for the Case of Removal, Death, Resignation, or Inability, both of the President and Vice President, declaring what Officer shall then act as President, and such Officer shall act accordingly, until the Disability be removed, or a President shall be elected."

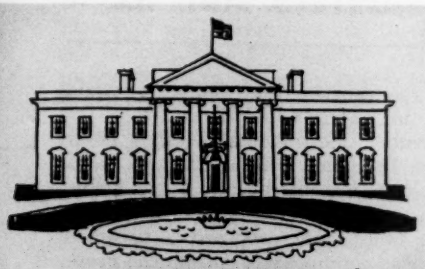
—From Article II, Section I

Presidential burdens had increased considerably by 1919, when President Woodrow Wilson fell seriously ill. He was partially paralyzed on the left side, yet he continued in office until the end of his term, 17 months after a stroke and complications that came near taking his life.

Reins of authority remained firmly held at the White House, with the aid of Mrs. Edith Bolling Wilson, the President's wife.

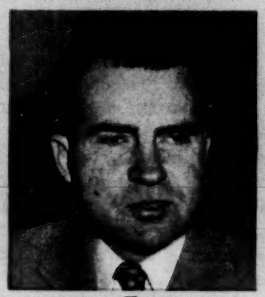
Public disclosures about the illness of President Eisenhower and of President Wilson show sharp contrasts. Medical bulletins about Mr. Eisenhower's condition were detailed and frequent after the first announcement that he had suffered a heart attack. In Wilson's case, it was different.

President Wilson was in the middle of

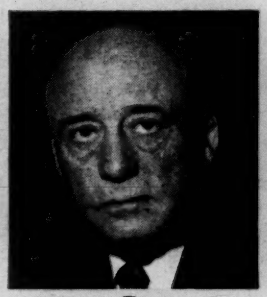


Who Becomes President—
THE LINE OF SUCCESSION

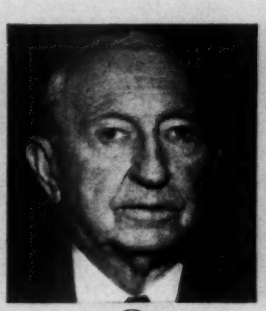
(by Acts of Congress, 1947 and 1948)



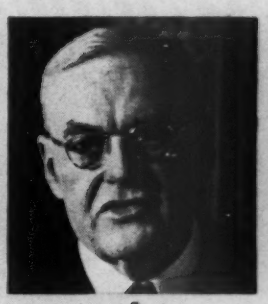
1.
The Vice President
Richard M. Nixon
Republican, **Age 42**



2.
Speaker of the House
Sam Rayburn
Democrat, **Age 73**

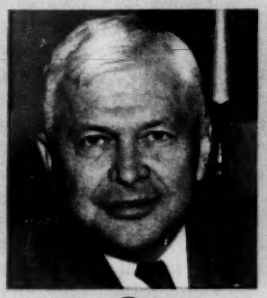


3.
Senate President Pro Tem
Walter F. George
Democrat, **Age 77**



4.
Secretary of State
John Foster Dulles
Republican, **Age 67**

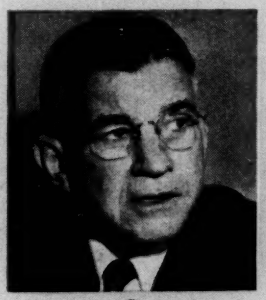
5.
Secretary of the Treasury
George M. Humphrey
Republican, **Age 65**



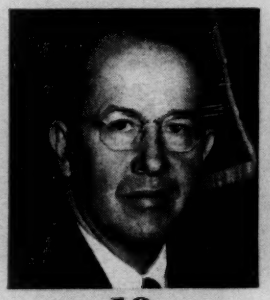
6.
Secretary of Defense
Charles E. Wilson
Republican, **Age 65**

7.
Attorney General
Herbert Brownell, Jr.
Republican, **Age 51**

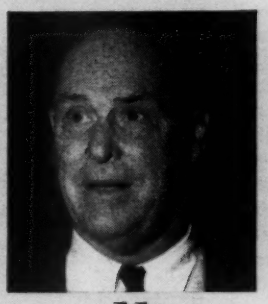
8.
Postmaster General
Arthur E. Summerfield
Republican, **Age 56**



9.
Secretary of the Interior
Douglas McKay
Republican, **Age 62**



10.
Secretary of Agriculture
Ezra Taft Benson
Republican, **Age 56**



11.
Secretary of Commerce
Sinclair Weeks
Republican, **Age 62**

12.
Secretary of Labor
James P. Mitchell
Republican, **Age 54**

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[*continued*]

WHEN PRESIDENTS ARE ILL—

Secretary of State Robert Lansing, who disagreed with the President on some issues of foreign policy, waited only until October 3, a day after the President's stroke, to propose that Vice President Thomas R. Marshall take over the office. But, when he approached Dr. Grayson and the President's private secretary, Joseph P. Tumulty, with this proposal, both men spurned it.

Staff decision. Members of the President's staff, in this instance, were deciding that a very sick President would stay in office.

Three days after this incident, Mr. Lansing called a Cabinet meeting to discuss whether Vice President Marshall should be installed as President.

Decision by the Cabinet was that the President was able to stay in office. During discussion, Secretary of Agriculture David F. Houston had cited a precedent —that, in the 80 days after Garfield was shot, "no disability was said to exist."

Wilson dismissed Lansing a few months later.

Bills were proposed in Congress to deal with the issue. One was that the Cabinet should make official inquiry and oust the President if they found he was unable, for a period of six weeks, to do his job. Another proposed a constitutional amendment to give the U. S. Supreme Court power to determine the President's disability whenever asked to do so by concurrent resolution of Congress. Nothing came of these proposals.

Senator George H. Moses, a foe of President Wilson, tried to get Vice President Marshall to make the first move, with the promise that Congress would recognize him as Chief Executive.

Senator Albert B. Fall, also a bitter foe of President Wilson, thought of a way to get into the tightly closed White House and judge for himself the President's fitness. He proposed a two-man bipartisan committee to consult the President about relations with Mexico.

Senator Fall and Senator Gilbert M. Hitchcock, a Democrat and friend of Wilson, got the job. The President talked with them for 40 minutes, outlined his policy, told jokes.

When Senator Fall emerged, he described the President as follows: "He seemed to me to be in excellent trim, both mentally and physically, for a man who has been in bed for 10 weeks." This ended the "oust-Wilson" movement.

What is "inability." In all these maneuverings, the wording of the Constitution was relied upon for authority: the Vice President was to take over when there was "inability to discharge the powers and duties" of President on the part of the man in office. But there had not been, and still has not been, any way established to decide what "inability" is or who is to make the decision.

This question has perturbed lawmakers from the beginning of the U. S. Government. John Dickinson, in the Constitutional Convention of 1787, asked who would define disability. None of the delegates could answer.

President Arthur, in office after the long illness of President Garfield, repeatedly urged Congress to pass a law to handle future cases of disabled Presidents.

—Wide World

PRESIDENT AND MRS. WILSON
She was a key figure when he was stricken

"Questions which concern the very existence of the Government and the liberties of the people were suggested by the prolonged illness of the late President and his consequent incapacity to perform the functions of the office," President Arthur told Congress.

Congress took no action except to remove, in the Administration of President Cleveland in 1886, the President pro tem of the Senate and the Speaker of the House of Representatives from the list of successors.

This was an outgrowth of the impeachment of Andrew Johnson in 1868. During those proceedings, Senator Benjamin F. Wade, President pro tem and first in line to succeed Johnson, voted to convict the President and to assume the Presidency himself. His plan failed by one vote.

After President Wilson's illness, several methods of deciding the "inability" of a President were proposed. Committees of Congress discussed some of them. But Wilson's partial recovery took the urgency out of the matter and none of the bills ever reached the floor of either house for action.

Congress restored the Speaker and the President pro tem to the list of presidential successors in 1947. Congressmen still were woried about two things.

Representative John W. Gwynne (Rep.), of Iowa, feared that, in some future feud between Congress and the President, Congress might impeach elected officials and "be able to get its representative in the White House."

Senator Estes Kefauver (Dem.), of Tennessee, a member of the House during the 1947 debate, and many other members, stressed the "inability" question.

"There are countless other questions in connection with the succession which should be studied and clarified," Mr. Kefauver said.

"One is the age-old question of who is to determine when the present President is unable to serve. When does his inability begin and when does it end? Who is to determine that? That is an open question so far as our Constitution and our laws are concerned. Does the Vice President make the determination and take over? This might lead to a very embarrassing situation sometime in our history. Suppose the Vice President is serving as President. It is a question that should be settled."

To settle it, Mr. Kefauver and others proposed to begin with a joint committee of both houses to dig into the question and suggest an answer. Congress did not establish the committee.

Now, when President Eisenhower is ill, the question still is as undecided as it was when John Dickinson first put it to the Constitution writers in 1787.

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THE MAN . . Mr. Eisenhower **THE NEWS** . . A Slowdown

—Wide World

"Rocking Chair" Routine: It Will Be New, Strange

Living with a heart condition means radical changes in Mr. Eisenhower's mode of life. A man who dislikes sitting still, he is deprived of golf, fishing, the activities he most enjoyed.

DENVER

NO MATTER HOW GOOD his recovery, President Eisenhower is going to have a tedious, boring time adjusting to a new and quieter mode of life. Mr. Eisenhower is not a rocking-chair man. He prefers activity, physical activity, often somewhat strenuous and prolonged. From now on he will be permitted very little of that.

For years, Mr. Eisenhower was an enthusiastic golfer, fisherman and hunter. It has not been at all unusual for him to spend five or more hours at a time on the links, playing 27 or even 36 holes. A half day of whipping the trout streams has left him eager for more.

But, in the future, in the nature of things, the President is to be under extreme pressure to avoid such activities, even though his recovery by that time may be described as "complete." Mrs. Eisenhower, of course, will object vigorously to any strenuous exertion by Mr. Eisenhower, and so will his doctors—fearing that it might induce another heart attack, this time fatal. Even a half hour practicing iron shots on the White House lawn probably is out for a year or more.

To see why such restrictions will be hard for the President, you need only look at how things went with him before his heart attack.

Perfectionist. With the President, unusually long hours spent at his favorite sports were the result of a passion for perfection. If he was not doing well on the links or the stream he spent extra time improving his strokes and his casts.

This summer, at the Cherry Hills Country Club, Mr. Eisenhower was known to come in from a tiring 27 holes and then spend an hour practicing. Golfing companions would say: "I just wish I had half his energy"—and then tell how the President "teed up a hundred golf balls just for practice" or blasted dozens of shots from the sand traps.

The same held for fishing. Irked at a poor cast, the President whipped away time after time at an imaginary target. Fooled by elusive trout, he stalked the streams back and forth in the rarefied atmosphere of Fraser or Pine, Colo., where he liked to fish.

It was the same, too, with hunting. Mr. Eisenhower, in the field, always wanted one more shot, although temperatures might be falling and the night closing in. He went quail hunting in Thomasville, Ga., in soggy weather and caught a cold.

Nervous energy. The President's physician, Maj. Gen. Howard McC. Snyder, described Mr. Eisenhower as a man of tremendous nervous energy. Dr. Snyder remarked that "Ike always has to be doing something" and finds it hard to slow down.

Last year, for example, Mr. Eisenhower listened intently to the television coaching of Robert Montgomery, the actor and broadcasting director. The President was advised to lean casually and naturally against a desk as he delivered his speech, to keep his arms still and to avoid any unnecessary movements.

The President tried it—but unsuccessfully. He moved his arms, his shoulders, his head, involuntarily. The speech was criticized as too mechanical. Mr. Eisenhower was trying to control his movements, but friends thought his efforts were too forced and that this quality was noticeable to the audience.

After the speech, he reportedly told Mrs. Eisenhower that he just couldn't "stay still," and that from then on he intended to take his speech lessons less seriously.

Those who have watched the President on the front porch of the Doud home—home of his wife's mother—in Denver were aware of his aversion to sitting still. He fidgeted, squirmed, finally stood up and went indoors. Five minutes in a rocking chair usually was his limit.

When the President awaited his turn to speak at a public function, he had the nervous habit of crossing and uncrossing his legs, toying with his sleeves, playing with his cuff links or staring at his shoes. These little signs of nervousness often went unnoticed unless an observer studied the Chief Executive carefully.

The President even made hard work of cooking, one of his favorite diversions. One friend called him

—Black Star

JUST A MEMORY?
The outlook: no fishing soon for Ike

"a ferocious cook but a good one." Mr. Eisenhower went about his cooking as with everything else, seeking perfection. Every dish had to be a production.

A friend recently said: "There is real work in cooking. Did you ever try it? Well, now, the President works at it like a Trojan, and he can't rest until everything is ready and darned near perfect."

Spartan. Personal inclination and long Army service bred in the President a sort of Spartan philosophy. He often found an obvious delight in spurning the creature comforts that others took for granted and then taunting them about it. For example, in the cold of the President's mountain retreat at Fraser, with an elevation of 8,500 feet, he chided newsmen and others for wearing what he considered burdensome clothing.

Because of this same Spartan philosophy, Mr. Eisenhower always was slow to complain about personal discomforts, aches and pains. He had digestive upsets from time to time, which he took as a matter of course. Some now are wondering whether these might not have included a very mild forerunner of his recent coronary thrombosis.

Once, with a severely upset stomach, Mr. Eisenhower insisted on going through with a strenuous schedule. It included throwing out the first baseball of the big-league season, making a major speech in Washington and then flying to Augusta, Ga. Those close to him during the speech were fearful that he might faint.

The President's associates say no one will ever know how much he suffered in the early morning of September 24 when his heart attack came. The general surmise is that he took it in silence until the pain became unbearable. Then he woke Mrs. Eisenhower, and Dr. Snyder was summoned.

Slowing down. However much he recovers, the President will find it hard to slow down, to change an attitude of mind. Friends wonder if he will continue to shrug off minor aches and pains, such as the bursitis attacks of the past, and whether he will continue to prefer to eat a hearty dish and suffer the indigestion to which he is susceptible.

But most of all he will find it a hardship to stay away from the golf course and the trout stream, to settle down in an armchair or take a nap.

One diversion remains, and that is bridge. But, at the bridge table, Mr. Eisenhower always played as intensely as on the golf course, again the perfectionist, trying to wring the last possible trick from every hand. And too much bridge can bring its tensions—tensions that doctors say should be avoided.

For Mr. Eisenhower, thus, living with a heart condition promises to be a dreary existence, a matter of giving up the things he enjoyed most. This, however, for some time at least, has become a necessity. It has to be that way.

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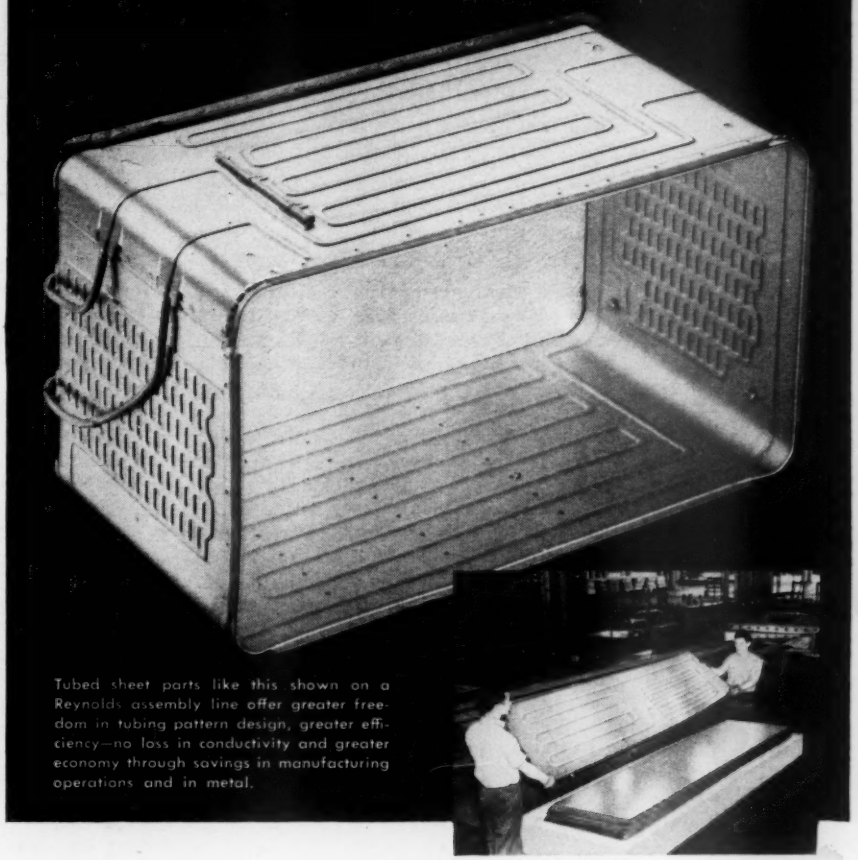

Tubed sheet parts like this shown on a Reynolds assembly line offer greater freedom in tubing pattern design, greater efficiency—no loss in conductivity and greater economy through savings in manufacturing operations and in metal.

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WHEN IKE'S HEART FALTERED

Hour by Hour with Newsmen "Covering" the President

One day President Eisenhower, apparently in vigorous health, was playing 27 holes of golf. The next day he was in an Army hospital, stricken with a heart attack.

The nation was stunned by the sudden development. How did it all happen?

Here is the record, the hour-by-hour chronology of the President's life during those fateful days.

You get, from official sources, the full story—what President Eisenhower did on the day before his attack, what happened during the night when he was stricken, and how he progressed in the days that followed.

Following is the daily record of President Eisenhower's illness, as revealed in official announcements and in extracts from the official transcript of press conferences held by members of the White House staff in Denver:

Saturday, September 24

8 a.m.—Murray Snyder, the President's Assistant Press Secretary, held a press conference at Lowry Air Force Base, Denver:

Mr. Snyder: The President suffered a digestive upset in the night, and, if he comes in, it will not be until considerably later. Dr. Snyder [Maj. Gen. Howard McC. Snyder, the President's physician] was summoned in the night. He is there now.

Q Is he still in bed?

A Yes, he is.

Q Is that what Dr. Snyder called it, a "digestive upset"?

A Yes.

Q Is Dr. Tkach [Maj. Walter R. Tkach, assistant to General Snyder, the President's physician] there?

A No.

Q Is this similar to the kind he had before?

A I don't know anything more than that.

9:30 a.m.—Murray Snyder called in the press to deal with routine business. After this was disposed of, the following exchange took place:

Q What time did the indigestion occur, Murray?

A I haven't the time. It was during the night.

Q Could we get something as to when it was—early in the evening, before he retired, or what the details were?

A It was before he retired. It was during the night. [Apparently Mr. Snyder meant to say it was "after" the President retired.]

Q Can we have any more, specifically, medically?

A I haven't anything now.

Q Do you think you will be able to give us something—I know you understand that we get a lot of pressure on a thing like this—to keep us up to date?

A That's right; I understand.

Q Is it your impression that the President is in serious condition, or fair condition, or poor?

A I haven't anything on which to base an impression beyond what I gave out.

Q For the benefit of those who weren't here, could you restate the way you put it about last night?

A I said the President had a digestive upset in the night, and that's all I said. I was asked if he was coming in and I said if he does it will be considerably later, but I haven't any word yet.

Q Is he still at home?

A He is.

Q In bed?

A He was when I last talked with General Snyder.

Q Was Dr. Tkach also there, Murray, or just Dr. Snyder?

A Just Dr. Snyder. At least as far as I know.

Q Anything on the treatment which is being given him?

A No.

Q Still in bed about what time, Murray? Could you estimate—9, or when you called?

A About that time, yes, when I last talked.

Q Would you have any idea when you might get some word from the doctor?

A I expect to be talking to the doctor again during the morning.

Q You talked to us, I think, a few minutes before 8. You say he was still in bed at 9?

A Yes.

Q Murray, was this after midnight [did the illness strike after midnight]?

A I'm not sure. I think so, but I am not sure. I don't think I had better say any more about it until I make sure.

° ° °

Q What would you consider his most recent illness, Murray, anything of any consequence to be called an illness?

A The most recent illness was his bursitis, as far as I remember.

Q How recently was the last touch of that?

A Oh, it happened frequently. Some couple of months ago. I am not fresh in my mind on those details.

Q Has he ever been confined to bed because of bursitis?

A Not that I know of, no.

Q Bursitis—am I correct, is my impression right, that bursitis has not been troubling him much in the last few weeks?

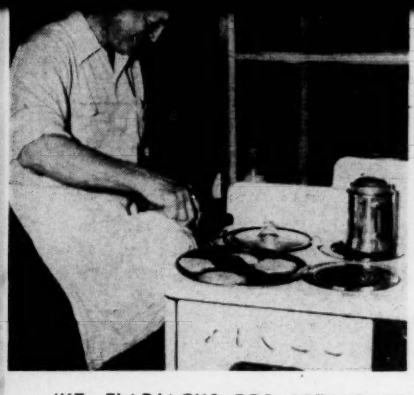
A It was not, but not to my knowledge.

Q Which arm is that in?

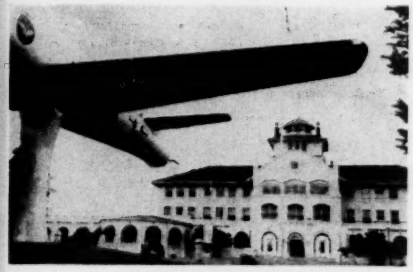
A Right.

Q Didn't he and Mrs. Eisenhower both have a cold recently?

(Continued on page 68)



IKE: FLAPJACKS FOR BREAKFAST



SUMMER WHITE HOUSE

PRESIDENT AT CHERRY HILLS

WHERE IKE WAS STRICKEN

THEN, THE HOSPITAL

BEFORE THE HEART ATTACK— WHAT PRESIDENT EISENHOWER DID

FRIDAY, SEPT. 23

5 a.m. The President got up, at Byers Peak Ranch, Rocky Mountain fishing hide-out.

6:45 a.m. Presidential motor caravan left for Denver.

8:20 a.m. The President arrived at 720 Lafayette Street, Denver, home of Mrs. John Sheldon Doud, his mother-in-law.

8:25 a.m. Left for Lowry Air Force Base, where summer White House headquarters is located.

8:40 a.m. Arrived Lowry headquarters, carrying large envelope containing note from Russia's Premier, Marshal Nikolai Bulganin. Worked on official papers.

11 a.m. Left for Cherry Hills Country Club.

11:20 a.m. Arrived at Cherry Hills Country Club. Visited with friends. Practiced golf shots.

11:50 a.m. Teed up for first hole.

2:30 p.m. Completed first 18 holes of golf. Score: 84. Took lunch at clubhouse — hamburger steak smothered in raw Bermuda onions, with iced tea, no dessert. Passed time talking to friends when kitchen service was delayed.

3:45 p.m. Started on third nine holes of golf. Near end of round, complained to golfing companions that onions he had for lunch were bothering him, added: "I guess I can't eat these onions any more. They seem to be backing up on me." Score for last nine holes: 40.

4:50 p.m. Left Cherry Hills Country Club for Doud residence.

5:10 p.m. Arrived at Doud home. Ate "little or no dinner." Spent evening talking to Mrs. Eisenhower, Mrs. Doud and Mr. and Mrs. George Allen.

10 p.m. In bed. (Time estimated by Assistant Press Secretary Murray Snyder.)

SATURDAY, SEPT. 24

1:45 a.m. (approximate) The President complained of chest pains. Mrs. Eisenhower gave him some milk of magnesia. Around 2:30 she called his physician, Dr. Snyder.

3 a.m. (approximate) Dr. Snyder arrived, made initial diagnosis of coronary thrombosis, gave the President morphine and an anticoagulate to increase liquidity of blood. Later, a second dose of morphine was given.

4:30-11 a.m. The President slept. (At 8 a.m., newsmen were told that the President suffered "a digestive upset.")

12:30 p.m. Physicians from Fitzsimons Army Hospital arrived at Doud home. Electrocardiogram was taken. Dr. Snyder's initial diagnosis was verified.

2:35 p.m. The President was taken to Fitzsimons Army Hospital. The public announcement was made that the President had suffered a coronary thrombosis.

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. . . "The President has just had a mild coronary thrombosis"

Did Ike Have A Premonition?

Many times, in recent months, President Eisenhower cautioned Republicans against tying the fate of their party to one man, and talked of the "physical erosion" of a man in the Presidency.

Now, recalling these statements in the light of the President's recent heart attack, many people are wondering: Did the President have a premonition of physical trouble?

A member of the Board of Editors of *U. S. News & World Report* put this question last week to the President's personal physician, Maj. Gen. Howard McC. Snyder.

General Snyder's answer:

"No. The President was just naturally cautious. He knows he's getting up in years, but I'm sure he didn't have a premonition."

Asked if Mr. Eisenhower had been aware of any arterial trouble in advance of the attack, General Snyder replied:

"No. He didn't think he had this difficulty—but then none of us did. Of course, I was always conscious that it could come on—in any man of that age. I was, from the first. You see, we have had cardiograms from the first, from 1946 and every year since. This year we had one in March and another in August."

A I think she did. I think she was in bed. I would say it was early this spring. I can't keep track of my own colds.

Q Have any other doctors been called in besides Dr. Snyder?

A No.

* * *

Q Any preparations being made to go back to Washington ahead of schedule, as a result of this?

A No.

Q Do you know whether he played 27 or 36 holes?

A I think it was 27. Didn't get out there until quite late. He was talking on the telephone from there at various intervals, so he was working and golfing at the same time.

Q Did he have a nap yesterday—yesterday afternoon?

A Not that I know of.

Q Were they at home in the evening, Murray?

A Yes. . . . I have calls pending and things which you might be interested in, if they develop. So before you leave, I suggest you check with what we might have this morning. It is now, what?—quarter to 10.

* * *

Q You will give us anything as soon as you can on this—on the President's condition?

A Yes.

12:15 p.m.—Mr. Snyder called the press to the Lowry Air Force Base conference room. He made the following statement:

Mr. Snyder: I just talked with General Snyder and he tells me that the President is resting. He said that this indigestion is not serious and he says that it is the same type of indigestion that many people have had. It is not serious. I asked him when the President became ill. He said he was called at 2 o'clock. He [the President] won't be out here today.

Q Is he going to leave the house today?

A He does not plan to leave the house. This is the kind of 24-hour stuff many people have had, and I am not going to predict how long it will take him to shake it off. He is resting in bed now.

Q Does Mr. Snyder plan to stay?

A No. . . . I don't believe he will go to church tomorrow. As far as I know, the appointments Monday will be kept and he will be in the office. The Vice President is coming out sometime Monday [to attend the President's Conference on Fitness of American Youth].

Q When will we get our next report?

A Maybe about 3 o'clock at the Brown [Brown Palace Hotel]. I will telephone you. But the fact that General Snyder will not remain in constant attendance is a good indication that it is not considered serious.

Q Has Dr. Tkach been to see the President?

A Not as far as I know.

Q Have any stomach specialists been called.

A No. If there is nothing to add to this at 3, I will call you, anyway and tell you that.

2:08 p.m.—Reporters were called to the summer White House at Lowry Air Force Base. They assembled at about 2:40 p.m. in the conference room, Murray Snyder read the following statement:

Mr. Snyder: The President has just had a mild anterior—let's cut out the word "anterior"—the President has just had a mild coronary thrombosis. He has just been driven to Fitzsimons [Army] General Hospital. He was taken to the hospital in his own car and walked from the house to the car.

3:05 p.m.—At Lowry Air Force Base:

Mr. Snyder: I haven't any additional information in answer to your questions; but the information I gave you, of course, came from Dr. Snyder concerning the thrombosis. The General accompanied the President to the hospital. Mrs. Eisenhower remained at the Doud home.

Naturally, as soon as the first broadcasts were received [by radio and television audiences], there were calls from various parts of the country, including members of the President's family and others. They have just started, of course.

I don't have any more information about the time, the nature, or anything else.

Q Do you have any idea how long he will be in the hospital? Does Mr. Snyder say that his condition is not serious?

A He calls this a mild attack and I am not going to go beyond his latest diagnosis.

Q Would that term "anterior" mean anything if you put it on there?

A I have to check with him. It's just the location, and I would rather that the word were not used until I check further with him on the technical aspects.

Q Was it an attack, say, between the time you talked to us at noon and 2:30 this afternoon? Or was it something that came on, or something—you know what I mean—progressive?

(Continued on page 70)

She sees herself, of course—but herself in relation to what others, especially those closest to her, think about her.

When Jim comes home tonight he may not notice my lipstick but somehow he'll know I still think he's quite a guy even after 15 years.

When Mary's date calls, I want her to be proud of me. I'll wear that exciting new shade, just to prove I'm sort of "hep" myself.

When Jim Jr.'s Cub Scouts say, "Hey, your Mom's O.K.", I'll be more thrilled than I was at my first prom.

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. . . "General Snyder says that the prognosis is good"

Questions People Are Asking —And the Official Answers

Why was President Eisenhower not taken to a hospital until nearly 12 hours after his heart attack?

Officials state that, within 15 minutes of his arrival at the Doud home, Maj. Gen. Howard McC. Snyder, physician to the President, was able to relieve the President's symptoms of shock and get him to rest. Dr. Snyder wanted the President kept in a state of rest. Dr. Paul Dudley White, heart specialist called in later, said Dr. Snyder's handling of the attack in its early stages was "excellent," that he would have followed the same procedure.

Why, when he was taken to the hospital, was the President permitted to walk from his bedroom to the car instead of being carried on a stretcher?

All the doctors went into consultation on that. In the Doud home the stairs are narrow and twisting. If a stretcher had been used, the President would have had to be tied in. It was much less psychologically upsetting for him to be helped into the car. The doctors felt that the way they got him out of the house and into the hospital was the best way under the circumstances.

Why was the public told the illness was just indigestion, when the President's physician knew it was a heart attack from the start?

Officials point out that the President's physician wanted complete verification before announcing a coronary thrombosis. He did not want a lot of "leaks" to come out about the President's condition. So he told Murray Snyder, the acting Press Secretary, that the President had indigestion. He was not telling an untruth. The President did have indigestion before the heart attack.

Why was the attack first described as "mild," then later called "moderate"?

Dr. Snyder knew the coronary thrombosis was "moderate" from the start. But he described it as "mild" because he felt the shock was enough for the world as it was. He felt that, after the first shock was over, the attack could then be called "moderate."

A I haven't had sufficient opportunity to discuss this with General Snyder. He was on the phone with me when the car arrived, and they left.

Q Any other doctors being called in?

A I am sure they will be.

Q Other doctors will be called?

A I am sure they will be here. Certainly they have called—I don't know who.

Q Any chance of his going back to Washington to Walter Reed [Army Hospital], some place like that?

A That would be pure speculation.

I expect to hear from General Snyder, and as soon as I do I will give you whatever I have.

3:45 p.m.—At Lowry Air Force Base:

Mr. Snyder: General Snyder informs me that the President had a mild indigestion yesterday evening. He had the first symptoms of an occlusion or thrombosis at about 2:45 a.m.

Q Saturday?

A Today. Upon completion of his diagnosis, the General decided to move the President to the hospital, where he could be given better treatment. The General says the President has been comfortable since the initial pain and that the prognosis is good.

Q What's a synonym for prognosis—outlook?

A I would say outlook is the—

Q Can we say outlook? For recovery?

A It is diagnosing something into the future, in other words.

Q Could we say the outlook is good?

A I am just giving you what the General says. I am sure you can paraphrase it that way without anybody quarreling with you. Jim Hagerty [James C. Hagerty, Press Secretary to the President] will be out tonight with Col. Thomas W. Mattingly, a heart specialist from Walter Reed.

Q What time are they getting in, Murray?

A I don't know the exact time, but they are leaving—

Q At once, I presume?

A Within the next half hour.

° ° °

Q When did this come in from the General?

A I just talked to him about 15 minutes ago.

4:15 p.m.—At Lowry Air Force Base:

Mr. Snyder: Those members of the Cabinet who are in the country have telephoned here, and the President's four brothers and son have also been in touch with the White House here—talked to someone here, or with General Snyder at the President's—or with the Doud home.

The brothers are Milton, who is president of Pennsylvania State University; Edgar, Tacoma, Wash., lawyer; Earl, who is a publisher at La Grange, Ill., and Arthur, a Kansas City banker. Major John, as you know, is at Belvoir. None of them is coming out.

Q Does that indicate that there is no seriousness—

Q In other words, none has been summoned?

A None of them has been asked to come out. None of them is coming out.

Q Can you say what is told them when they call?

A They are given as much information as we have and as much information as you gentlemen have been having.

Q More than we get?

A No.

Q Same information—

A As much means the same thing—might not be the same words—but that is all the information I have.

° ° °

Q Has Nixon been called?

A I asked Jim to call the Vice President because I was busy, and he did.

Q In Washington?

A In Washington. [Commerce] Secretary Weeks just called him, and I talked to him, and [State] Secretary Dulles and [Treasury] Secretary Humphrey spoke to Ann Whitman [personal secretary to the President], and so did [Defense] Secretary Wilson. Some of the others are out of town, but not accessible. General Persons [Deputy Assistant to the President] in Washington is talking with some of the others whom we haven't been able to talk to.

(Continued on page 74)

Dr. W. E. Bradley

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"So we developed a method of improving oil stocks. It gave us an oil base that was better than anything nature had ever produced.

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"If you use Royal Triton in your car today you probably take this kind of performance for granted. But don't forget—it was competition that put the pressure on us to bring it to you long before you asked for it!"

* * * *

Royal Triton has been a success from the start.

Today—in new all-weather 5-20 and 10-30 grades designed specifically for modern high-compression engines—it embodies the latest advances in lubricating oil technology.

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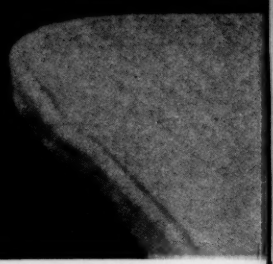

EXECUTIVE: *Is that a storm ahead of us?*

PILOT: *Yes, sir. Looks like a bit of weather.*

EXECUTIVE: *Does that mean we're going to get in late?*

PILOT: *I don't think so, sir. The radar shows we can make it without too much detouring. We should get in on time.*

EXECUTIVE: *Good! This is one meeting I can't afford to miss.*

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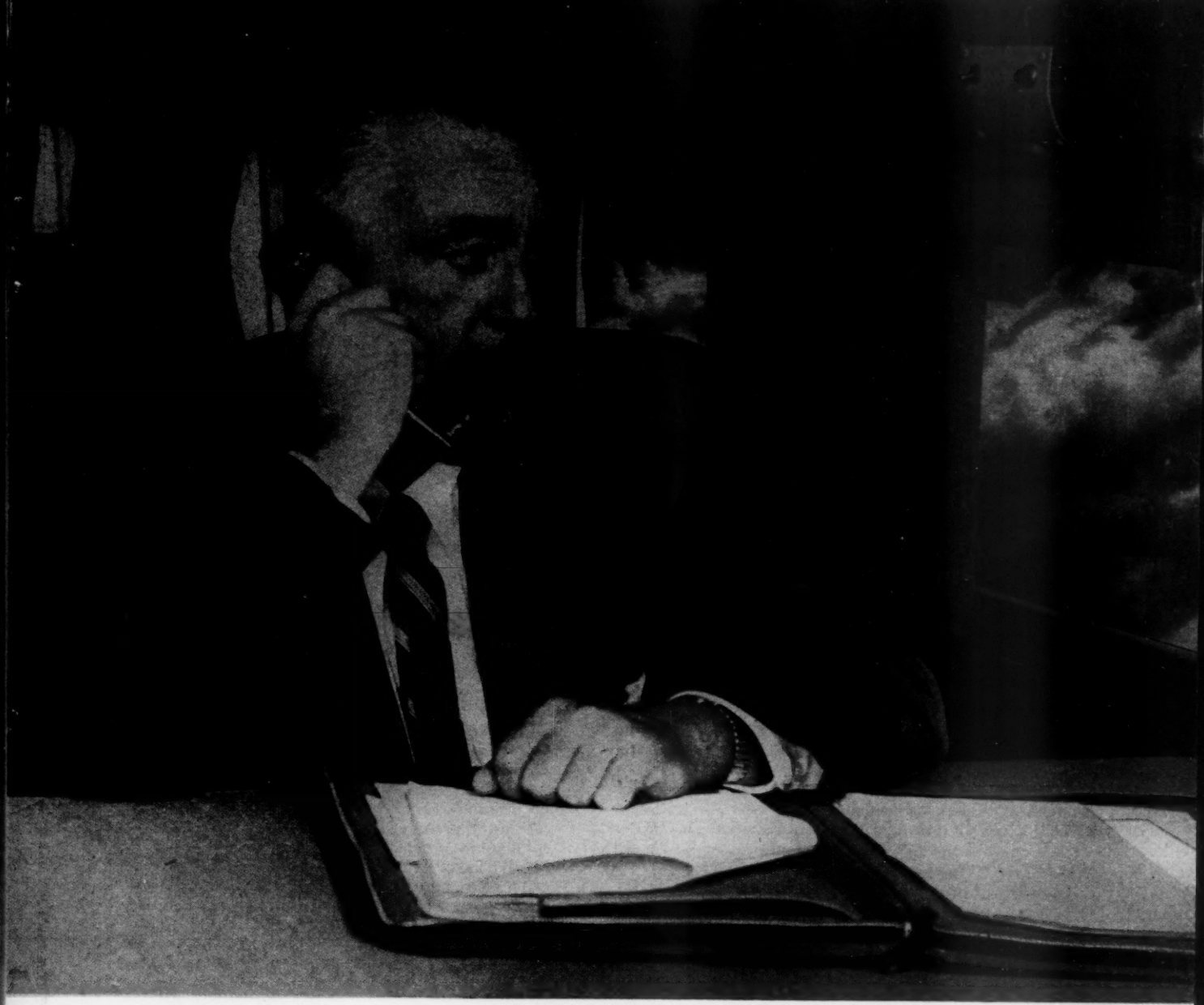

abling your pilot to "see" into storm areas along your course, he can select non-turbulent paths between them, making long detours unnecessary. The AVQ-10 also provides for valuable ground-mapping information, clearly showing such landmarks as lakes, rivers, and coastlines.

In view of the great and growing demand for RCA's AVQ-10 Weather Radar by leading air lines and business aircraft operators, those interested are invited to write for further particulars in order to assure early installation.

Dotted line shows how airplane passes between storm cells in its flight path, therefore saving time and increasing passenger comfort.

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. . . "Any previous history of heart ailment? No"

Q Is Weeks the only one besides those three of the Cabinet—

A Well, the Attorney General is out of the country, so Deputy Attorney General Rogers called and talked to Ann Whitman as well. I just talked with Secretary Weeks, who called from his farm, and he said in response to requests he has issued a statement to the effect that he had an attack of angina pectoris, and if the President follows his doctor's orders he will have long years of health and activity.

Q Is that the first announcement of a heart attack, the announcement that he was being taken to the hospital?

A That is the announcement of the thrombosis and of the plan to take him to the hospital.

° ° °

Q Is that the first heart attack the President has ever had?

A As far as I know.

Q Did the doctor leave the President at noontime, as we expected him to, or has he been with him—

A So far as I know, he has been with him.

Q He was with him when the President went to the hospital?

A Yes.

5:35 p.m.—At Lowry Air Force Base:

Q Murray, I want to clarify one thing here. Earlier today you said that you thought that Dr. Snyder went to the Doud house at 2 o'clock this morning, and later you told us that Dr. Snyder said that the first indication of an occlusion had occurred at 2:45. Was Dr. Snyder there at the time, what you said was a very approximate time—or did he come out after this first indication—heart condition?

A He made his first diagnosis at 2:45—his initial diagnosis.

Q He went to the house still about 2 o'clock?

A That is correct. [It was later established that Dr. Snyder actually arrived at the Doud home at approximately 3 a.m.]

Q And [the President] complained of indigestion?

A Complained of pain.

Q You say that Snyder made his first diagnosis about 2:45?

A Well, that is when he says—when he first—he reported the symptoms as having occurred at that time.

Q We are getting some queries about why, if this attack occurred at that early hour—first of all, why it was called a digestive upset, and, secondly, why the announcement of the heart attack or coronary thrombosis was held up so long? Can you say anything on that?

A No.

Q There is no—

A I think that is covered in the thing I gave out about 3:30—3:45.

Q By that you mean that you wanted to wait till the diagnosis—or the doctor wanted to wait till the diagnosis was complete?

A That is it. I would say that is a correct statement.

6:05 p.m.—At Lowry Air Force Base:

Mr. Snyder: I just talked with General Snyder. He advises me that the President is resting well in the hospital and his condition is good. In specific reply to a question as to whether he had had any previous experience or history of heart ailment, the answer is no, he has not.

7:50 p.m.—At Lowry Air Force Base:

Mr. Snyder: I have just been asked about the First Lady's visit to the hospital. The First Lady's decision to go to Fitzsimons was not the result of any change in the President's situation. She merely felt she would be more comfortable being near the President. She will remain in the President's suite.

Q Have you anything else from Dr. Snyder? Have you talked with him any more?

A I just talked with him, and there is no change in the President's condition.

Q As of 7:45, would you say?

A That's all right.

Q Do you know whether any specialists other than Mattingly have been called on?

A He is the only one I know of.

10:18 p.m.—At Lowry Air Force Base:

Mr. Snyder: I have just talked with General Snyder and I relayed to him the question about the oxygen tent. The President has been under an oxygen tent—

Q Say that slowly, please?

A I relayed to him the question about the oxygen tent, and the President has been under an oxygen tent since his arrival at the hospital. The General had nothing new to say about the President's condition. He informed me, however, that Dr. Paul Dudley White of Boston, a heart specialist, will be—will fly to Denver tomorrow—

Q The question has arisen in several places, Murray, that you described this thing originally as a mild coronary thrombosis, and in recounting the sequence of events, you omitted the word "mild." Was that deliberate? Is it still a mild coronary thrombosis?

A General Snyder described this to me as an anterior coronary thrombosis—

Q Anterior? Anterior what?

A Anterior coronary thrombosis.

Q We have been using the word "mild."

A I asked him to—to qualify it—qualify the word "thrombosis," and the terms he used were anterior coronary thrombosis.

Q Are you saying that "mild" was your own word and not Dr. Snyder's?

Q Was it Dr. Snyder's word—you asked him to qualify it?

A I asked him to describe the thrombosis and those are the words he used.

Q As of this hour we are abandoning the word "mild"?

A I gave you his—in his language the description of the President's illness.

Q Originally you said that the word "mild" came from Dr. Snyder?

A That is correct.

Q Now is that still—

A The word "mild" was not in his more recent description.

Q Is the prognosis still good?

A He said there was no change in the situation.

Q That leads to the immediate conclusion that his analysis of the situation now is much more serious than it was at the outset. Is that true?

A I am afraid you will have to wait for the arrival of Dr. Mattingly for any further interpretation or prognosis.

11:46 p.m.—A plane landed in Denver bearing Press Secretary Hagerty and Colonel Mattingly. They went directly to the hospital.

(Continued on page 76)

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. . . "Blood pressure and pulse stable, no complications"

Sunday, September 25

1:12 a.m.—Mr. Hagerty held a news conference at Lowry Air Force Base:

Mr. Hagerty reported that Dr. Mattingly was called because he had been giving the President his annual checkups. Mr. Hagerty emphasized that no heart trouble had turned up in any of the checkups. He also noted that Dr. B. E. Pollock, chief of heart service at Fitzsimons Hospital, was in attendance.

All three doctors were in the President's room and the President was awake at 12:30 a.m., Mr. Hagerty said. He added that Col. George M. Powell, chief of the medical department, and other members of the hospital staff were working on the case. He said Dr White would arr ve from Bos.on around 1 p.m. Sunday

Mr. Hagerty stated that Drs. Snyder, Mattingly and Pollock were in consultation, and then issued the following bulletin:

From the original onset at 2:45 a.m., Saturday, the President has withstood the initial attack well.

At this time there are no complications. His blood pressure and pulse have remained stable. The President has been resting comfortably.

Reporters noted that the word "initial" indicated that there was more than one attack. Mr. Hagerty said there was only one attack, so the word "initial" was taken out of the bulletin.

Mr. Hagerty said he had checked the three doctors about the reason for the oxygen tent and reported that its use was routine for such cases.

Mr. Hagerty was asked if the President had been unconscious at any time. He said he didn't know, and would not elaborate on the bulletin.

6:50 a.m.—At Lowry Air Force Base:

Murray Snyder announced the President's Conference on Fitness of American Youth was postponed. He released a report which said the United States had recognized the new Government of Argentina.

Mr. Snyder also reported that appointments with Secretary of Defense Wilson, economist Arthur Burns, Gen. Alfred M. Gruenther and Treasury Secretary Humphrey were off.

Mr. Snyder would not comment on the President's condition.

8 a.m.—At Lowry Air Force Base:

Mr. Hagerty reported that at 7:30 a.m., General Snyder and Colonel Powell had issued the following bulletin:

The President had a very satisfactory night. His blood pressure and pulse continued stable. There were no complications.

Mr. Hagerty said that Dr. White of the Massachusetts General Hospital in Boston, a heart specialist, was due to arrive in Denver around 1 p.m. Sunday and that no more announcements were to be expected until after Dr. White's arrival.

A reporter asked: "Why was there a 12-hour time lag between the President's heart attack and the announcement of the attack?"

Murray Snyder interposed that he had already reported on that, and said that as soon as the case was diagnosed it was announced.

Mr. Hagerty reported that the President was awake several times during the night, said he did not know whether the President was in pain. He said the President was in an oxygen tent all night and was still in the tent. He said the only food given the President since his attack was fruit juice.

Reporters asked about Mr. Eisenhower's temperature and wanted to know if the "mild" evaluation of his attack was still valid. Mr. Hagerty would not go beyond the doctors' bulletin, but said he would try to get answers to the reporters' questions.

11:30 a.m.—At Lowry Air Force Base:

Mr. Hagerty: Well, let's see, I have got some answers to some questions that you gentlemen asked this morning. One other thing, the Army announced and approved that Major John [John Eisenhower, the President's son] is coming out this afternoon. He is coming out on the "Columbine" [presidential airplane], which is back in Washington.

Q Was he summoned out?

A No. No, as a matter of fact, that was his decision.

I had some queries and questions for those that are interested in the color of the rooms [of the President's hospital suite]. The walls are cream-colored. The furniture—the desks and the beds and chairs—are light green, as are the drapes.

• • •

Q What is in the President's room, though?

A A metal hospital bed. Several chairs, a desk, several big chairs—sofa chairs, I guess you would call them.

Q You saw the President then, apparently?

A No, I didn't. I did not bother him. I just looked in.

Q I am sorry, but I have just never seen an oxygen tent. Does it fit right over the whole bed?

A No, not over the whole bed.

Several other questions you gentlemen asked me this morning. One—the first one was a question of temperature, whether the President is running a temperature. He is not and has not had a fever. I was asked who called Dr. Snyder. Mrs. Eisenhower personally called Dr. Snyder.

Q Two a.m.?

A That's right.

I was asked who decided to make the announcement of his going to the hospital and that he had a coronary attack. That was done by General Snyder and Dr. Pollock.

• • •

Q This would be Saturday—at noon.

A That's right, about 12:30.

Q Called by General Snyder, Jim?

A Yes. They brought with them electrical cardiographic equipment, and they had a cardiograph made at the home.

Q And you say they took—

A A cardiograph. Yes, a cardiograph. And after consultation there—that was the confirming diagnosis—and shortly thereafter Dr. Snyder called Murray Snyder, and Murray Snyder made the announcement. There have been altogether three cardiographs made. The first one at 1 o'clock at the home.

Q Now that is Saturday afternoon?

A That's right. The second one at 8 o'clock at the hospital and the third this morning at about 8:30.

Q Can you tell us what the cardiograph showed.

A No. All I can say on that, and I checked this with the doctors—Dr. Snyder, Dr. Pollock—and they tell me that on all—on the three cardiographs and electrical cardiographs pattern—the pattern has undergone the usual changes of a coronary, but that there are no complications, that the Presi-

(Continued on page 78)

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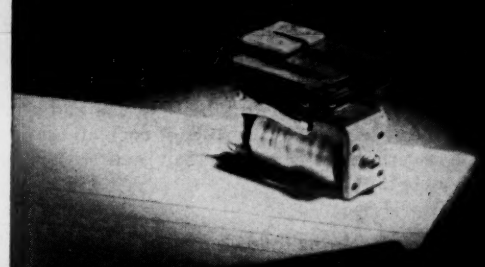

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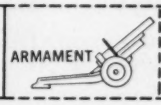

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. . . Attack was "moderate, neither mild nor serious"

dent's strength remained good and his condition has remained stable since the first cardiograph—on all three cardiographs.

Mr. Hagerty also made these points:

That the doctors report that it is not normal to expect additional attacks, although they qualify that by saying that an attack could extend over a larger area of the heart than at the present time.

That the President was supported and assisted from the Doud home to the car by Drs. Snyder, Pollock and Griffin, instead of being carried out on a stretcher, because of the doctors' decision. He added that there was no overexertion, saying, "The doctors themselves decided that this was the easiest way to do it."

That after the initial pain the President was resting comfortably.

That the doctors decided to make the announcement of the coronary thrombosis and that the President didn't control the decision.

That Mrs. Eisenhower was in the President's room several times Saturday, but that she hadn't seen him Sunday morning because of the cardiograph.

That General Snyder had made the decision to call in Dr. White. Asked if the President was doing any reading, Mr. Hagerty said that doctors were trying to give the President as complete rest as humanly possible. He noted that Mr. Eisenhower had talked to his doctors and was fully conscious. He said he couldn't give any word as yet on the kind of drugs being used. He reported that Dr. Mattingly had brought all the Eisenhower medical records with him.

4:15 p.m.—At Lowry Air Force Base:

Mr. Hagerty reported: Dr. White arrived at the hospital about 2 o'clock and went into consultation with Drs. Snyder, Mattingly, Pollock, Powell and Griffin. Lieut. Col. J. A. Sheehy of Fitzsimons, assistant to Dr. Powell, was also present. They consulted for an hour and 15 minutes. Drs. Snyder, Pollock and Mattingly not only reviewed the case but past records as well, went over the three cardiograms, and as Mr. Hagerty left the hospital another cardiogram was made.

Drs. Snyder, Pollock, Mattingly and White released the following bulletin:

The President has had a moderate attack of coronary thrombosis without complications. His present condition is satisfactory.

Dr. White told Mr. Hagerty that the President is receiving excellent treatment at Fitzsimons. After the medical consultation, Dr. White discussed the word "moderate," saying that it meant the attack was neither mild nor serious. Mr. Eisenhower was still in an oxygen tent. He was speaking to doctors and nurses. Mrs. Eisenhower visited him twice. The President had his first solid food, oatmeal, which he requested.

John Eisenhower was to stay at the hospital. There was no indication on how long Mr. Eisenhower would stay in the hospital. There was no thought of moving him to Walter Reed Hospital in Washington.

9:22 p.m.—At Lowry Air Force Base:

Mr. Hagerty reported there was little to add to the last conferences.

Monday, September 26

7:07 a.m.—Mr. Hagerty telephoned Lowry Air Force Base to announce the following bulletin by Drs. Snyder and Pollock:

The President had a comfortable night. His condition remains stable.

10:10 a.m.—A bulletin, released during a press conference at Lowry Air Force Base, said:

The President's condition continues to be satisfactory without complications. He had a good bowel movement. He enjoyed a breakfast of prunes, oatmeal, soft-boiled egg, toast and milk.

The President had a slight fever later yesterday afternoon as is usual in such cases, but his temperature is normal this morning.

The oxygen tent will be omitted at intervals today.

The electrocardiogram this morning shows the usual evolution produced by an anterior heart-wall infarct.

Dr. White explained the bulletin and elaborated on Mr. Eisenhower's condition. The transcript of his remarks appears on page 80.

4 p.m.—Mr. Hagerty held a press conference, attended by Maj. John Eisenhower as a spectator, and released the following bulletin from Drs. Snyder and Pollock:

The President had a very comfortable day. He had a moderate lunch of meat, vegetables, fresh fruit cocktail and milk.

Mrs. Eisenhower joined the President and visited with him during lunch time.

Mr. Hagerty then made the following points:

The President was out of his oxygen tent twice during the day, once during an examination and once during lunch, "about a half hour each time."

Vice President Nixon would preside this week at meetings of the National Security Council and the Cabinet. The President was not aware of the meetings because the doctors didn't want "to disturb him." There were no regular Cabinet nor NSC meetings during the President's vacation.

This was no delegation of power per se, as suggested in a question.

The Vice President had called the meetings after consulting Sherman Adams, Assistant to the President; Wilton B. Persons, Deputy Assistant to the President, and Cabinet members. "Routine" matters would be discussed at the meetings.

The Press Secretary said that he and Col. Robert L. Schulz, the President's military aide, had dropped in on the President to say, "Good morning." Mr. Hagerty said the President said, "Hello, Jim." However, Mr. Hagerty wouldn't say how the President looked, said he would leave that to the doctors.

Mr. Hagerty also left it to the doctors when he was asked if the President would be conferring with Cabinet officers in two weeks.

9:10 p.m.—At a press conference Mr. Hagerty released the following bulletin from Drs. Snyder and Pollock:

This has been a comfortable day for the President. His satisfactory progress, as previously reported, has continued throughout the day.

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HEART SPECIALIST'S COMMENTS AFTER SEEING THE PRESIDENT

How severe was President Eisenhower's heart attack? What caused it? What actually occurs to the heart in such an attack? And what are the prospects for full recovery?

Questions such as these, now in the minds of many people, were asked by reporters of Dr. Paul Dudley White, a Boston heart specialist who was called to examine the President on the day after his attack.

Dr. White put his answers in laymen's language, explained in simple terms what happened to the President.

Below, from the official transcript, are Dr. White's answers.

Following is from the White House transcript of the news conference held by Dr. Paul Dudley White, heart specialist of Boston; Maj. Gen. Howard McC. Snyder, personal physician to the President, and James C. Hagerty, Press Secretary to the President, at Lowry Air Force Base, Denver, Colo., on Sept. 26, 1955:

Mr. Hagerty: Ladies and gentlemen, Dr. White has a plane standing by and is returning to Boston today, but prior to his departure—and he is already about an hour overtime—he graciously consented to come down and talk to you gentlemen a little while about this case. So, Dr. White—

° ° °

Dr. White: . . . I am returning to Boston today partly because the President's condition is so satisfactory, and partly because he has such excellent attention here, medically and otherwise.

I thought it would be of interest to speak briefly of what the condition is that he has. In the bulletin issued yesterday, we stated that he had an unquestionable attack of coronary thrombosis. There is no doubt whatsoever about the diagnosis—confirmed both clinically and by electrocardiogram.

Now, quite probably, a great many of you know what coronary thrombosis is. But, in case you don't, it is about the commonest important illness that besets a middle-aged man in this country today. . . . Just what the situation was many years ago we don't know, because we don't have adequate records. But we think it has increased a good deal.

The coronary arteries, as you know, are small arteries that supply the heart muscle with blood. And this is fundamentally, you see, an arterial disease and not primarily a heart disease. It is the arteries that are affected. But they are the arteries that supply the heart muscle with blood. So they involve the heart secondarily.

The process itself starts insidiously in the coronary arterial wall. There are several coronary arteries. The left one is a good-sized artery which has two branches, and then there is the right coronary artery. So there are really three branches to the coronary arterial system.

The wall becomes involved, the walls of these arteries—especially in an American male—progressively and in youth and middle age, but do not produce trouble as a rule until in the 40s, 50s or 60s. Sometimes there are young cases. It is not a matter wholly of aging. But age enters in—the sex, the age, heredity.

Fortunately, the President has good inheritance—family history—and it is probable that the body build enters in, and there are a number of other factors that we are not sure about that are environmental, which include activity, occupation, stress and strain, diet, and customs—local customs—use of tobacco, alcohol, and so on, some of which probably have little or no importance. Nobody as yet has made an adequate study of these various underlying factors.

Why do we have so much of this in this country today? We don't know. But the President's condition is a very common one, and many times it comes much earlier. The average age is about 50 in this condition, so you might say that the President at 65—is that his age?—is 15 years ahead of the game from the standpoint of that type of illness. But many don't have this condition until they are in their 60s, 70s or 80s, but it may come even in their 30s. It is not just a matter of old age.

When the arterial wall becomes thickened, in a variety of ways abnormal, that impinges on the bore of the artery—the caliber of the artery itself, like a tube. The caliber is decreased so there is less and less room for the blood to go through. And certain parts of these arteries are more affected than other parts. And, as the wall narrows, sometimes the condition of angina pectoris develops. And angina pectoris is a symptom, with pressure over the breast bone. That is quite common, but the President had none.

Now I know there is a likelihood of some people thinking that the golf he played the day before his illness might have been instrumental in the production of this attack, or the high altitude at which he has been lately.

But I have a feeling—I believe that they have no influence in having precipitated this attack.

We see attacks come frequently at sea level, and in people who never play any golf. My own feeling is that golf has been often wrongly blamed, that those who play golf and have an attack at the age of 65 might have had an attack at 45 if they hadn't played golf.

Well, that is the present status. We just don't know, but we don't think that exercise itself is responsible. In fact, I am of the impression that it really helped to delay the onset of this than to cause it. Of course, very severe accidents, or strains, may have a precipitating effect, but they aren't the fundamental cause. And we are still studying the question of cause. Is it diet? Is it too rich a diet?—which some of us

(Continued on page 82)

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"Sometimes we can diagnose the disease before the clot forms, sometimes we can't" . . .

may believe there is too rich a diet in America today. Or is it? No one can answer that yet. But it does come more often in males as they get old, especially in this country.

Now if with a narrowed artery wall the blood clots in that part of the artery which is the narrowest, then we have coronary thrombosis. And thrombosis means the laying down of a blood clot, which is a thrombus. And the process of laying down a thrombus or a clot is called thrombosis.

So coronary thrombosis is simply the laying down of a clot in the coronary artery. And when that clot becomes established acutely, it comes quickly, the clot itself—the disease has been going on for years. I mean the coronary-artery-wall disease is not a sudden thing. That is in progress for a good many years, probably before the clot forms. And sometimes we can diagnose that amount of disease before the clot forms, and sometimes we can't.

So that, instead of talking about coronary heart disease—which is coronary-artery disease—instead of talking about coronary heart disease I like now to speak of diagnosable coronary heart disease, because a lot of us, probably some of you in this room, have coronary artery disease and don't know it and are not hurt by it, unless you should get a clot from a narrowing of the arteries. Some people go all through life with abnormal coronary arteries and never know they have had abnormal coronary arteries, and die of something else—old age, or get run over or something—more easily from that I suppose.

Well, when the blood clot forms in the coronary artery, the arteries that supply that part of the heart muscle—the coronary arteries branch out like a tree over the surface of the heart and penetrate, and the branches penetrate the heart like the roots going into the ground.

Q: Coronary muscle, did you say?

Dr. White: No, heart muscle. The arteries dip down into the muscle to supply that much more with blood and to take away the abnormal results of metabolism from the heart muscle.

But when there is a block in one of these arteries, then that part of the heart muscle that should be supplied ordinarily by that particular artery with oxygen—that part of the heart muscle no longer receives the adequate blood supply, although some of it may get in in a roundabout way through what we call collaterals.

And that muscle aches. We think that is the cause of that severe pain that comes with coronary thrombosis, for which morphine usually has to be given, and part of the heart muscle has to go through the process of scar formation. Some of the muscle fibers die, a few of them in the front wall and others in the back wall.

The President's process is in the front wall of the heart. And that is commonplace. And the fibers, a certain number of them, die previous to forming in an area

—AP Wirephoto

"PRESIDENT'S CONDITION IS VERY COMMON"—Dr. White (center) reports to newsmen with Press Secretary Hagerty (left) and Dr. Snyder

. . . "It's like an abscess without any germs"

as big as this, and the heart itself is the size of two fists, and the amount of muscle that is deprived of blood and the amount of blood that is taken up through this infarct that we use in this morning's bulletin.

Q: Excuse me, did you say in the President's case that scar formation was forming on the front wall?

Dr. White: It is not formed yet, but it may be a process that involves the back wall here or the side here—different areas—that, before scar can form, the muscle fibers that have been deprived of blood, some of those muscle fibers die and have to be taken away—the bits of dead muscle have to be taken away by little cells that come in called wrecking cells—the real technical terms I won't give you.

But white blood corpuscles also become active at that time. They are the leucocytes, so that there is a process of leucocytosis. That means the increase in the number of white cells so that when we test the blood in a person who has acute coronary thrombosis with myocardiac infarct,—that is the term that is used for this damaged-area muscle resulting from coronary thrombosis—that is called myocardiac infarct—that means this damaged area. When that occurs, then the white blood count, as measured, goes up.

And the President's went up a little, and that is one sign of a degree of damage. It went up only I think to 12,500—we don't need to give the figures. It was only slight to moderate. And with it there is fever.

Damage, but No Infection

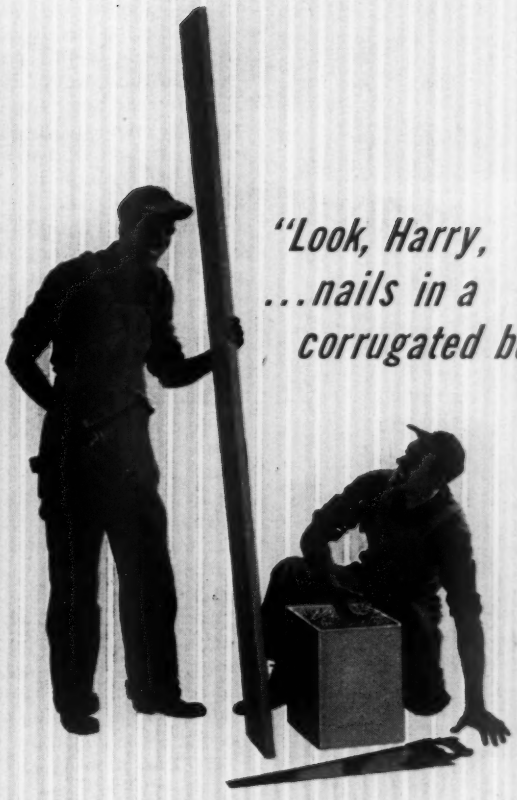
This process, you see, is like a little damaged area, like an abscess without any germs or infections. But that has to be taken care of, the dead muscle carted away. Then actually these little wrecking cells come in and take away, after the first week.

He had a little—after the bulletin—he had a little fever.

Mr. Hagerty: It's in this morning's bulletin, which we will read you a little later.

Dr. White: The first week, then, usually, after an attack like this, consists of removal of the dead muscle, clearing away for the setting of a scar in a small area. They vary in size. You can have a small infarct or a big one, and the results depend on the size of the scar—the infarct. And you may have a little bit of a one or a very big one. And so the future depends partly on the size of the muscle damaged,

(Continued on page 84)



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Common Stock Dividend No. 159

The Board of Directors on September 14, 1955, declared a cash dividend for the third quarter of the year of 55 cents per share upon the Company's common capital stock. This dividend will be paid by check on October 15, 1955, to common stockholders of record at the close of business on September 26, 1955. The Transfer Books will not be closed.

K. C. CHRISTENSEN, Treasurer

San Francisco, California

"This is an average case, and I would say that the President had an average attack" . . .

along with a little fever, which comes usually a degree or two, and with leucocytosis and the electrocardiograms to show the evolution of this process.

The second week, after an attack like this, the scar begins to form. New building cells come in to set the scar—fibrous tissue. And after a week of that—which would be through the second week—the scar has been laid but it has not been healed yet. It takes another week for that scar to become strong. There must be no activity beyond that of resting quietly either in bed or in a chair. That is the third week.

Quiet for 2 or 3 Weeks

This is an average case, and I would say that the President has had an average attack. So this is the usual program in which for the first two or three weeks we would like to have much quiet, nervous quiet, physical quiet, and so on, but not with absolute motionlessness. And we like a little activity if there aren't any physical or serious complications.

And then comes the process of, you might say, rehabilitation, after your first three weeks, a little more activity during the next few weeks. And as a rule at the end of two months or so you are back to normal activity again.

Q: Two months, sir?

Dr. White: Yes, the first month of pretty complete rest. The first two weeks are the very important stage, you see. During the first two weeks you have quite complete rest, and then a little activity, although a person is still in his room during the next week or two; and finally the second month. The other 6, 7 or 8 weeks—and then back to a more normal life, getting out and around—rides, walks and so on, so that at the end of two months, as a rule, voiding complications, and with an average attack, then that is the usual medical program.

Now I will read the bulletin and specify after each sentence why we put that particular sentence in.

Q: Doctor, would you mind reading it very slowly?

Mr. Hagerty: Wouldn't it be better if I read it, as I know the right pace, and I'll stop at the end of each sentence.

* * *

Mr. Hagerty: "The President's condition continues to be satisfactory without complications." No explanation on that.

Dr. White: I might add there that they can come. For many people some of them would have already come, if they had been very, very ill. But they can still come. You want to bear in mind that, during the first week or two during this period in which the heart muscle is in a delicate state, we can still have complications. For the first two weeks we keep our fingers crossed.

Mr. Hagerty: "He had a good bowel movement."

Dr. White: Now I put that in—which I insisted be put in, and I am sure the others agreed to it because it is—I said the country will be very pleased—the country is so bowel-minded anyway—to know that the President had a good movement this morning, and it is important.

It is good for the morale of the people, for one thing. It shows that he also—at the height of the wrecking cells, about 36 to 48 hours, that is when the extreme height of it comes, high fever, and so on—it was in that period that he also had a good bowel movement. Also he perspired a good deal in the first 36 hours and so he lost fluid that way. He replaced it. He drank a good deal and has kept up all right. But that is one of the reasons why some patients don't have any bowel movement for several days. So this is an encouraging point.

Breakfast Was "Enjoyed"

Mr. Hagerty: Same paragraph—continuing the bulletin:

"He enjoyed a breakfast of prunes, oatmeal, soft-boiled egg"—singular—"toast and milk." That is the end of the first paragraph.

Dr. White: We felt that this was rather important, for two reasons. In the first place, he enjoyed it—he wanted it. Secondly, breakfast is often the best meal of many patients who have not eaten through the night, and he hadn't eaten much during the past 24 to 36 hours anyway. So that it was nice that he had a fairly good-sized breakfast. Some people might say, why did he have such a big-sized breakfast? It was not very big—pretty soft—easily digested. Why did he have eggs since eggs are now being deprecated against? We have to supply some fat to the body.

I want to make this statement. When he was a cadet he weighed about 172, and he weighs now around 175 to 180. He has done extraordinarily well in keeping his weight down. This has been remarkable through the years, when you think of the number of men who gain 30 pounds or more after they get through college.

Q: Can you tell us what time the meal was?

Dr. Snyder: About 7:20.

Mr. Hagerty: The next paragraph: "The President had a slight fever late yesterday afternoon—"

. . . "The amount of fever sometimes is important"

Q: How much?

Mr. Hagerty: Let me finish—I will leave that to the doctors: "—as is usual in such cases, but his temperature is normal this morning." End of paragraph.

Dr. White: We expect, as I have already said, we expect to have fever—a little fever. And this is just according to Hoyle. The amount of fever sometimes is important, and so we don't like to see too high a temperature after an attack like this, in contrast to an infection like pneumonia. The temperature never goes as high as it does in pneumonia.

We measured rectally. Until yesterday afternoon about 5 he had no fever above the top normal. But, as we expected, yesterday afternoon late, he had, about 5 o'clock, a rectal temperature of 101.4. A rectal temperature is 1 degree higher, normally, than a mouth temperature, so that would be equivalent to 100.4 by mouth. So that was the highest temperature. His temperature later in the evening—I have forgotten what time—went down to 100.4 rectally, equivalent to 99.4. This morning it is 99.6, I think, which is the top normal. Well, it may go up a little again today. In the afternoon it frequently does. So it actually shows that the temperature is down to stay, but it is not a seriously high temperature.

Less of Oxygen Tent

Mr. Hagerty: Next paragraph, one sentence: "The oxygen tent will be omitted at intervals today."

Dr. White: That is always encouraging. It is also routine to put patients with coronary thrombosis into an oxygen tent. It isn't always very important but I think it may help a little. That doesn't get much new oxygen into the scar, the place that is damaged, because the blood can't get into that particular point, but it may help in general with respect to the possible complications in the lungs, and it can improve a little the oxygen around the scar, possibly.

° ° °

Q: Is that the first time?

Mr. Hagerty: Yes.

Q: Has that started yet?

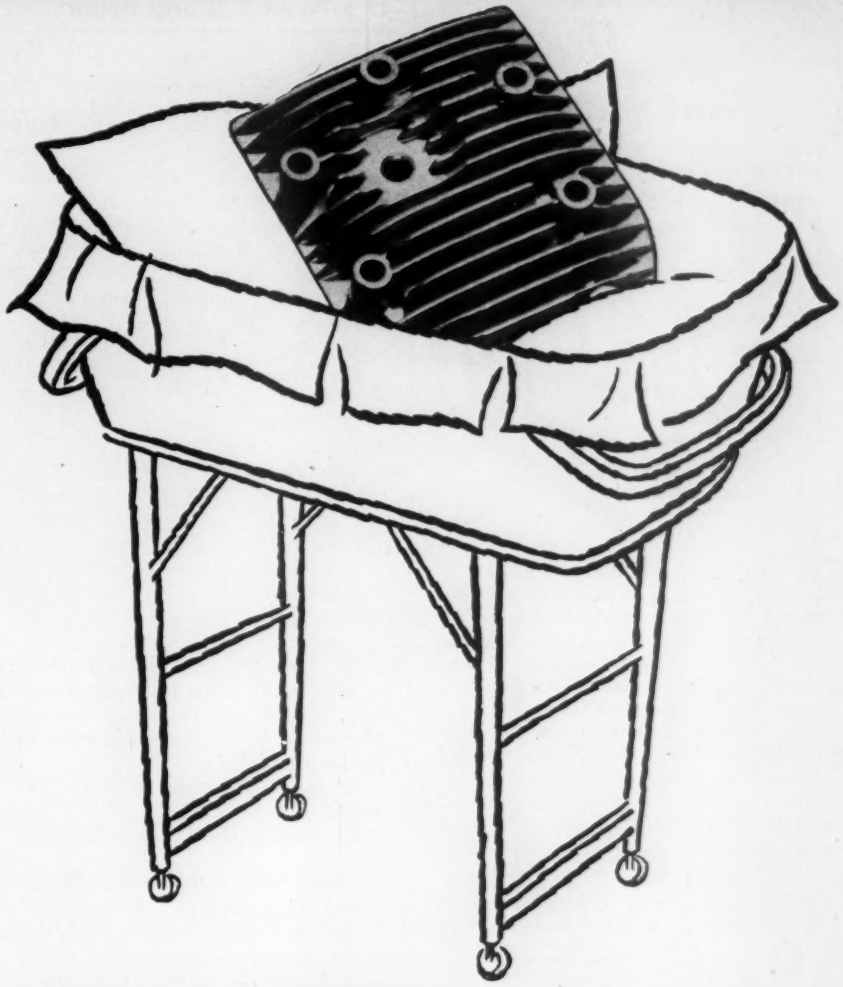
Mr. Hagerty: I will have to refer that to the doctor.

Dr. White: We examined him out of the oxygen today, and he seemed quite comfortable—I mean this morning. Most patients can be weaned from their oxygen within the first few days.

Q: Doctor, you said under the oxygen or out?

Dr. White: Out of the oxygen this

(Continued on page 86)



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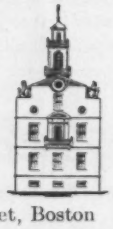

ROBERT W. LADD,
Secretary

200 Berkeley Street, Boston

"I have many patients who have resumed normal occupation, whether physical or mental" . . .

morning, and we had a conversation of 10 minutes or so—more than that.

Mr. Hagerty: Final paragraph, final sentence of the bulletin. "The electrocardiogram this morning"—that means a new one this morning—"shows the usual evolution produced by an interior—"

Dr. White: Anterior.

Mr. Hagerty: Anterior—it's "interior" here—

Dr. White: It's misspelled in this bulletin.

Mr. Hagerty: It "shows the usual evolution produced by an anterior heart-wall infarct."

That is the end of the bulletin.

Dr. White: I have already defined for you "infarct." It is this area—it becomes a scar.

° ° °

Q: That is the heart-wall damage?

Dr. White: That is the heart-wall damage. But an infarct can be anywhere in the body. It just happens to be now in the heart wall.

Q: Any decrease in the "ST" line yet?

Q: This is the fifth cardiogram?

Improvement in Cardiogram

Mr. Hagerty: This is the fifth.

Dr. White: There is a little improvement in that respect. Last night there was a little dip in the "T" wave, and we don't see that late dip this morning. But it may come back.

It's too long to give a classroom discussion on. These letters that are used for the description of the waves start in the middle of the alphabet—P, Q, R, S, T, U, V—they were picked out by Einthoven [Dutch physiologist] in 1903 just because they don't mean anything. But now we know what they mean, more or less.

Q: What are the prospects for the President's complete recovery?

Dr. White: They are reasonably good. But we can't tell—as I say, we can't tell yet. Each day has to take care of itself, and the first two weeks are important, but the majority of patients whom I see with this condition do well—the majority.

Q: You were quoted before in Boston, before you came out here, as saying it is conceivable the President could run for a second term. After examining him—

Dr. White: . . . We now realize, which was not realized years ago, because nobody had followed up their patients, that many people can not only live out this condition but can be normally active for many years after. Of course, if a person is older, his expectation of life anyway is not so great. But I have had patients who have done very well for 20 years or more, after an infarct scar like this.

Q: Is your answer yes to the question?

Dr. White: I would say that is up to him. If he has a good recovery—if he has a good recovery—as we expect—I can't say we expect it yet, because we don't know enough. We have got to follow it a few days longer. If he has a good recovery and is able to resume a normal type of life—I can't answer that question—that is up to—

Q: Did you say he would be physically able to do it?

Dr. White: Oh, yes.

Q: You have talked about your patients getting back to normal activities. Have you ever before had a patient who took on again work even comparable to the strain of being President of the United States?

Dr. White: Oh, no. I haven't seen any Presidents with coronary thrombosis.

Q: I mean, have you seen other men that took on a comparably demanding job?

Dr. White: I suppose the job of being President of the U.S.A. is one of the hardest in the world, so I don't think I can answer that question.

Q: Would you recommend it, sir?

Dr. White: I beg your pardon?

Q: Would you recommend it?

Dr. White: I have no conviction one way or the other.

Q: Can you say, doctor, would you advise any patient who had just suffered a heart attack, to take on a job as difficult as the President's is?

Golf Not a Cause

Dr. White: Well, I have many patients who have resumed their usual occupation, whether it's physical or mental, and sometimes quite difficult and strenuous—not comparable, I suppose, to that of the Presidency—and resumed golf, and so on. We talk about golf. I feel that the golf he played the day before had nothing to do with this attack. I have had many patients who have resumed golf, even who started golf for the first time.

Q: Do you expect, sir, that he may be able to resume golf?

Dr. White: It is quite possible.

Q: If everything progresses as normally as you lay it out here, can the President be flown back to Washington after three weeks?

Dr. White: Could be—not to Washington—perhaps to his farm.

Q: Barring any complications?

Dr. White: We don't know. He looked well this morning. It is too early to say.

. . . "Within two weeks he might have conferences"

The first month of rest is perhaps best spent in the hospital, where he can be not only close to medicine and nurses, but also to pick up any complications that may occur, because most of the complications occur in the first two or three weeks.

Q: Is it likely he will be here, then, in the hospital, close to a month?

Dr. White: Maybe—may even, toward the end of the month, fly to his farm—his home—that sort of thing—there to continue his convalescence but not to be barred from conferences, and so on, but nevertheless to stay out of general circulation; that is, it is conceivable that within two weeks he might have conferences, and probably will.

Q: Could you tell us something about the President's morale?

Dr. White: The President's morale is wonderful, and he is a wonderful patient.

"A Pretty Bad Pain"

Q: Did the President suffer that severe pain that you mentioned that usually accompanies these attacks?

Dr. White: He had pretty bad pain on Saturday morning, wasn't it?

Dr. Snyder: 2:40.

Dr. White: Dr. Snyder saw him within half an hour or three quarters of an hour of that pain, and gave him—within 20 minutes—and gave him morphine for the pain.

Q: Can you tell us something about the medication now, doctor?

Dr. White: He has the usual medication to keep the blood from clotting.

Q: Heparin?

Dr. White: He started on heparin.

Q: What about sedation?

Dr. White: He hasn't needed any digitalis, because his heart muscle hasn't evidently been affected enough to cause any congestion. Sedativewise he had morphine at first and he had a little seconal last night. He was a little restless, but he may not need a great deal of sedation.

Q: Is he in pain now?

Dr. White: No, he is very comfortable this morning.

Q: Is the clot still present?

Dr. White: The clot is in the coronary artery, and it still stays in your blood vessels.

Q: Wouldn't it dissolve eventually?

Dr. White: Two other points—I have heard some rumors that perhaps he might have been having this trouble for some months before this came. Well, there I would bring out the point I have already made about diagnosable coronary-artery disease.

He was very carefully examined in August, the first, by Dr. Tom Mattingly [Col. Thomas W. Mattingly, of Walter

(Continued on page 88)

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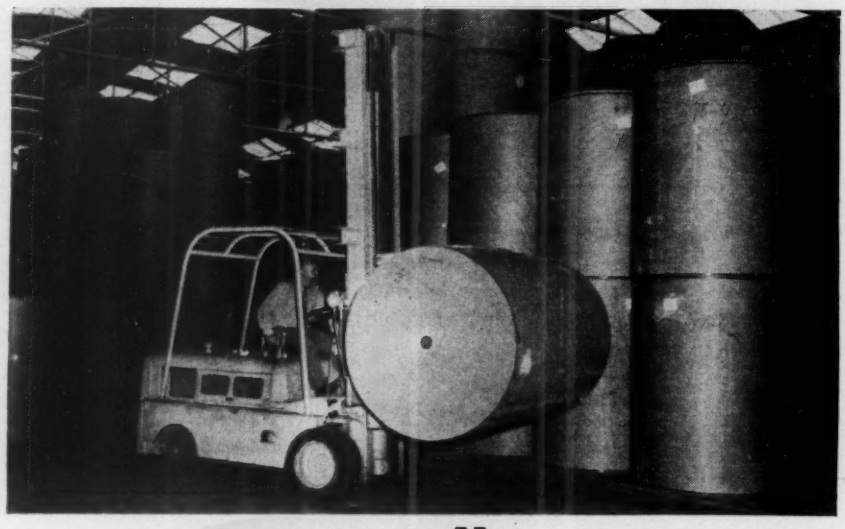

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. . . "No sign of any disease" at examination in August

Reed Army Hospital, Washington, D. C.], and with cardiograms, and there was no sign whatever of any disease. There is no doubt about that. I reviewed the records going back to 1940, and the cardiograms are all normal. So this was an acute illness.

Q: Would you give us in your own words whether you think he could run in a political campaign?

Dr. White: I can't. I can't answer that question. Even from the standpoint of his complete recovery, you can't say.

Q: Does bursitis have anything to do with heart trouble?

Dr. White: No, it's a complication not infrequent but most people who have bursitis don't have any heart trouble, and most people who have heart trouble don't have any bursitis.

Q: Will you be back in two weeks and perhaps then give us the answer?

Dr. White: Yes. He has had excellent treatment here, and one of the reasons I feel free to go back is that I feel the treatment will continue whether he has complications or not. But I will keep in touch with Dr. Pollock [Col. B. E. Pollock, chief of heart service at Fitzsimons Army Hospital] who is taking excellent care of him, and Dr. Mattingly of Walter Reed, a very able cardiologist, and Dr. Snyder. They will continue here for a few days and they will phone me this evening, and tomorrow morning, and tomorrow afternoon and tomorrow evening for a few days as to what is going on. I will be available to come out in case of complications.

Realizing Need for Quiet

Q: Without reaching any conclusions, would you tell us the kind of thing you talked to the President about this morning?

Dr. White: Just what I have told you about this process of these little wrecking cells coming in. That is very important because then a person realizes why he needs to be quiet. You see, he may feel perfectly well, and most people do, and sometimes he feels well enough to go out on the golf links, but, knowing what is going on, he is as quite content as anybody else is to continue the proper treatment for getting a good start.

Q: Do you think he wanted to go out on the golf course?

Dr. White: I think he would like to.

Q: You don't think the high altitude had anything to do with it?

Dr. White: I don't think this had any relationship at all to this attack.

Mr. Hagerty: I don't mean to break this up, but the doctor does have to go, and I imagine you people do, too.

Q: Thank you very much, Dr. White.

News YOU Can Use ®

IN YOUR PERSONAL PLANNING

24th and N Streets, N.W.
Washington, D.C.

October--with United Fund and Community Chest campaigns usually starting the parade--brings fund-raising time around again. You'll be wise, then, to take note of tax angles involved in giving to charity.

DONATIONS AND TAXES. The Government, in effect, shares your giving by allowing you an income tax deduction on charitable contributions you make. There are ways--perfectly legal--to take advantage of this "partnership" and arrange your giving so that you ease your tax burden, often substantially.

For example: If you sell property or securities and donate the cash, you pay a tax on any gain from the sale. But, if you donate the property instead of the cash, you can deduct its full market value--and pay no tax on the gain.

TIPS ON GIVING. If you have some property that has gone down in value, and are thinking of a contribution involving it, sell the property first and donate the proceeds. That way you get a deduction for both the contribution and the loss; you'd miss the latter with a straight property donation.

You can, if you desire, arrange a gift so you are paid an annuity out of it until your death. Also, tax rules on some bonds--ones which sell at a premium and can be called for payment a short time after issue--allow a tax deduction for the premium in the year the bonds are bought; if you buy and donate such bonds, you'll be able to deduct the premium again.

DOUBLING UP OF GIFTS. It's almost a sure bet that an election-minded Congress next year will vote an income tax cut. This raises the possibility you may want to consider combining next year's contributions with this year's, thus doubling up deductions when they'll do you more good taxwise. That could be especially helpful if you have been taking the standard deduction; might make it worthwhile for you to itemize on your 1955 return, then for 1956 use the standard deduction--which allows for charitable contributions.

RETIREMENT INCOME. A couple of new rulings by the Internal Revenue Service settle some points about the law's tax credit on retirement income for couples in community-property States. As long as one spouse had earnings of more than $1,200 in any 10 previous years, both spouses meet the earnings qualification for the tax credit, IRS holds. Also, it adds, if one spouse is retired and the other works, half of the working spouse's income is considered as belonging to the retired spouse and thus may serve to reduce the amount of his tax credit.

(over)

BUYING A HOME. Here's a yardstick--used occasionally by real estate salesmen--for weighing a family's income in connection with buying a home.

Regular earnings from your job count full value--you multiply your salary by 1. But investment income is figured in at only one half, and earnings from a second job--or bonuses and overtime--at only one third. The theory is that such sources are less sure than normal job earnings, so can't be given as much weight.

Your wife's earnings, if she's not a professional businesswoman and is in the childbearing years under 32, are rated at zero value. If she's between 32 and 38, her earnings are figured in at one half; if she's past 38, at full value.

Using the yardstick in arriving at what you can spend on housing cuts down risk of counting too heavily on uncertain income, real estate men say.

SERVICE PAY. The federal tax collector issues a ruling that applies to allotments paid by the Government on the death of an officer or enlisted man. The allowance, equal to six months' pay, goes to the serviceman's beneficiary. It need not be counted as income on which the beneficiary must pay taxes, nor must it be counted as part of the serviceman's estate, the tax collector decides.

BUSINESS YEARS. If you use a calendar year in making out income tax returns for your business, you might want to consider the advantages of switching to a "natural" year, the American Institute of Accountants suggests. That usually is the 12-month period ending when business activities are at a low. Advantages include easier bookkeeping and less room for dispute on tax returns. The Institute offers a free pamphlet on the subject and a list of suggested years for various businesses. Its address: 270 Madison Ave., New York 16, N.Y.

GETTING INTO COLLEGE. Question: Are entrance requirements tougher at private colleges than at State universities? Answer: It all depends on the standards of the individual institutions. Many private colleges accept only students whose high-school grades are tops--others aren't so exacting. Entrance requirements, on the average, for private colleges are perhaps a little lower than the average for State universities.

CAFFEINE IN COFFEE. The American Medical Association says that past tests made by its chemical laboratory on the amount of caffeine in coffee turn out to be inaccurate. New tests show--contrary to what the AMA first said--that "decaffeinated coffee" can be made practically free of caffeine. An average cup of decaffeinated coffee, the AMA adds, has only about one fortieth of the amount of caffeine in a cup of regular coffee. Instant types have about the same amount of caffeine as in the corresponding regular types, the AMA now finds.

BIRTHMARKS. New kinds of treatment make it possible to erase disfiguring birthmarks, a group of doctors report in the publication "Medical Times." Use of radioactive substances, X rays, refrigeration techniques with "dry ice" and tattooing with skin-colored pigments have proved effective, the doctors say.

LUMBER. A summary of the characteristics and uses of different kinds of wood, plus tips on lumber-yard gradings, come in a new booklet prepared by the National Lumber Manufacturers Association. It can be ordered, at 10 cents, from the Association, 1319 18th Street, N.W., Washington 6, D.C.

PROGRESS THROUGH ANACONDA METALS

The cable that beats its worst enemy— *ozone*

Self-supporting high-voltage aerial cable

THE PROBLEM: One of the secrets of the great productiveness of the American worker is the vast electric energy available to the machines he uses. To use electric power most economically, more and more often high-voltage cables are brought right into the plant. Where 120-volt service is adequate for your home, industry uses 5,000 or 15,000 or even higher.

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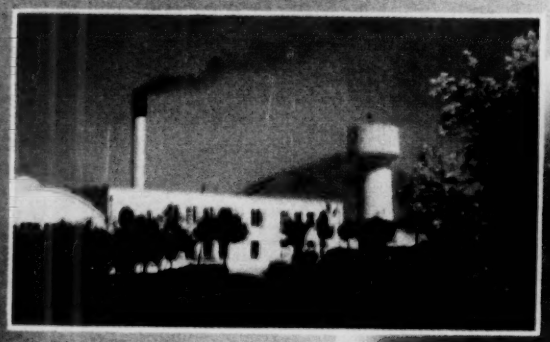

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Special Report

(This article represents the result of an extensive research on a problem of outstanding importance.)

DEMAND FOR HOMES TO CONTINUE BIG

There's good news for business in latest estimate of long-range housing needs. U. S. apparently is far from "overbuilt."

Family formation is greater than expected. Old houses are wearing out. Any decline in building is to be gradual and mild.

Home building, backbone of the construction industry, is to continue as a sustaining factor in the nation's business.

The housing boom admittedly is slowing down after feverish activity that sent dollar outlays and the number of new housing starts zooming to record highs in recent months. But there remains a basic demand for homes that makes a serious slump in building unlikely.

That demand for homes, estimated by the Economic Unit of *U. S. News & World Report*, is shown in the chart on this page. Construction of more than a million houses and apartments per year, on the average, is indicated for the rest of this decade, only moderately less than the record-breaking rate of the last five years.

By 1962, housing needs for a growing population are expected to bring about another upturn; a new boom that will topple recent building estimates is indicated by conservative figures.

It is the period immediately ahead, however, that is worrying some businessmen and economists. Home building, they point out, accounts for about a third of the money spent on construction, year in and year out. During the last year, the residential portion has been running close to 40 per cent of the total.

A real slump in home building obviously would hurt the construction industry. It might be depressing to business in general. And there is a strong feeling among many experts that the housing boom has been running on borrowed time, that a slump is coming.

At a glance, some official figures give that impression. The number of new homes built in the last five years is more than 5.9 million, not counting farm homes. The increase in number of nonfarm households, requiring shelter, is put at less than 5.3 million. So it seems building outstripped basic demand.

Currently, the building pace has drawn further ahead of growth in population. The number of new homes being started in 1955 is about 1.3 million. The number of households being added is estimated at about 779,000.

Looking ahead, this problem seems to grow. No uptrend in marriages and in families seeking homes is indicated until about 1962.

Added demand for houses is arising, however, from other sources and has, thus far, staved off a building slump.

(Continued on page 94)

WHY A BIG DROP IN BUILDING IS NOT IN PROSPECT

NUMBER OF ADDITIONAL HOMES NEEDED	In the five years ending in 1955	In the five years to end in 1960
To take care of the growing population . . .	6,200,000	4,584,000
To replace houses torn down or otherwise withdrawn from use . . .	1,000,000	1,000,000
TOTAL . . .	7,200,000	5,584,000
WHERE ADDITIONAL HOMES ARE COMING FROM		
Older houses split up into apartments, and makeshift arrangements . . .	1,257,000	500,000
Balance of new houses and apartments to be built . . .	5,943,000	5,084,000
Yearly Average of New Construction . . .	1,188,600	1,016,800

Basic data: BLS, Census Bureau; Estimates by USN&WR Economic Unit

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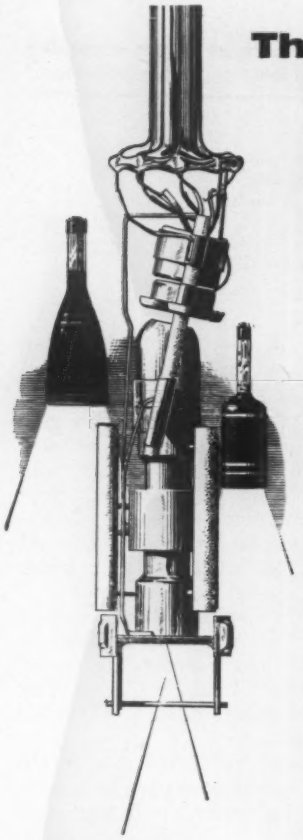

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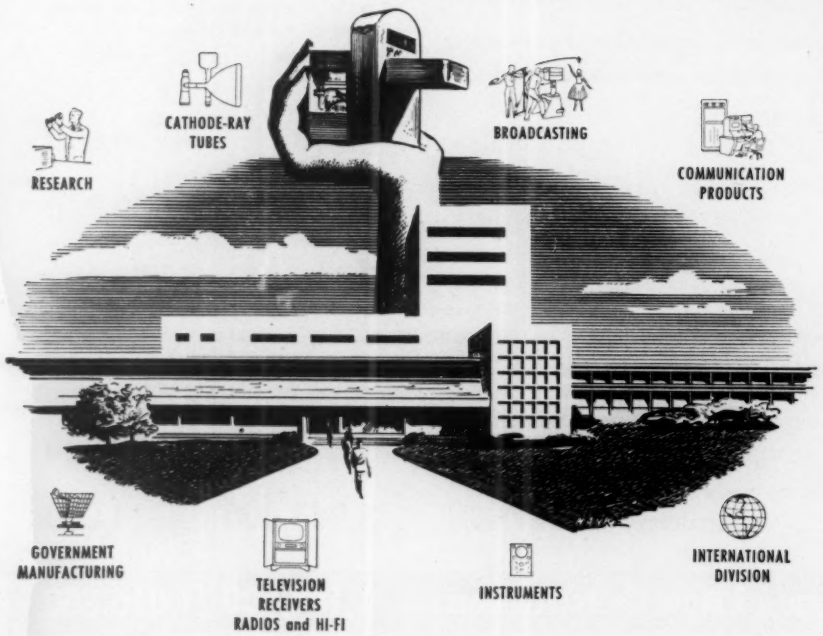


Allen B. Du Mont Laboratories, Inc., Executive Offices, 750 Bloomfield Avenue, Clifton, N. J.

Slum-clearing projects spur housing boom . . .

Chances are the same factors will prevent one in the future.

For one thing, houses are being pulled down at a faster pace than ever. A sizable slum-clearance program is now getting under way. In Washington, D. C., alone this is expected to remove about 5,000 old dwellings in 1955-59.

Throughout the nation, officials say demolitions under this program are likely to total about 200,000 in that period. That compares with about 20,000 torn down for slum clearance in the last five years.

Meanwhile, fewer dwellings are being created by setting up partitions in older houses, dividing them into apartments, as was done in World War II and the years of housing shortage that followed. In recent years, many old houses have been refurbished for single-family use.

–Black Star

DEMOLITION
1 million old homes to go . . .

Other houses are being taken off the market to be used for offices or stores, as shopping areas spread out to serve growing markets.

In the 1930s, Government reports indicate these demolitions and cases of houses being withdrawn from the housing market averaged 58,000 a year. Officials say the figure for 1953 and 1954 was about 250,000 to 300,000 a year.

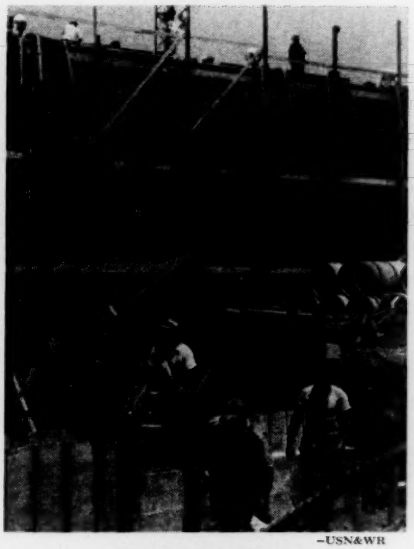
Increasing vacancies, though they are a worry to landlords and people trying to sell houses, seem actually to be a return to normal. In recent years the vacancy rate has been so low that people in search of housing had little choice of quarters. There still is some distance to go to get normal vacancies.

. . . Number of vacant units continues small.

The rise to a normal level of vacancies thus helps to sustain building, just the way an increase in business inventories helps to sustain factory output.

Government reports indicate the number of vacant units for rent or sale still is small—about 2.2 per cent of the number of urban dwellings. A much larger proportion was considered "normal" before World War II and is allowed for today by the Government in appraising apartment projects.

Officials point out also that there is another group, about 1.2 per cent, that tends to be overlooked in sizing up the housing market. These are not for rent or sale, yet are vacant. They include summer cottages left unoccupied this autumn. They include also houses that have been sold or rented but aren't occupied when federal census takers make their surveys.



—USN&WR

CONSTRUCTION

. . . 5.6 million new dwellings coming

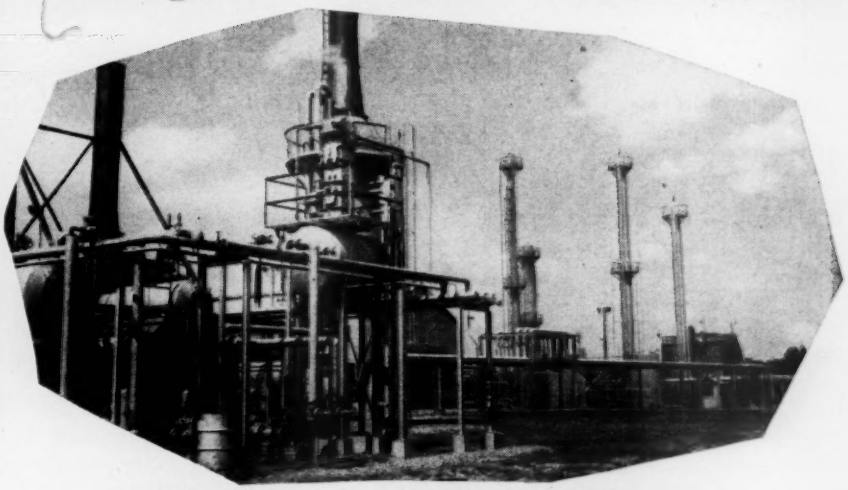
Any mystery of the big building boom is explained when all these factors are taken into account. Here is what the figures show, based on the latest Government reports and estimates by the Economic Unit:

- The market for additional houses and apartments was about 7.2 million in the five years ended April, 1955. This consisted of not quite 5.3 million homes needed for new families, not counting farm families; about 1 million needed to replace dwellings torn down or otherwise taken off the market, and about 900,000 increase in the number of unoccupied units.

(Continued on page 96)

New Orleans is ready

with year-round recreation



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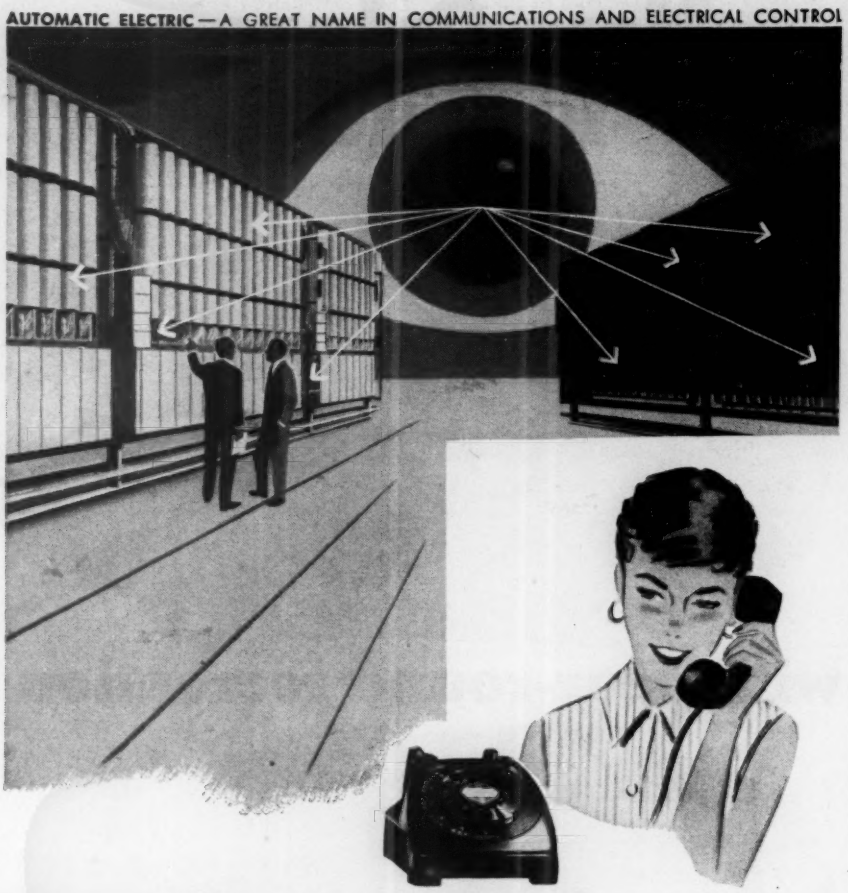

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AUTOMATIC ELECTRIC

ORIGINATORS OF THE AUTOMATIC DIAL TELEPHONE

. . . Bargaining on rents still is not easy

• The 7.2 million were supplied by building 5.9 million new houses and apartments and by makeshift arrangements and partitioning, which accounted for about 1.3 million.

In that light, talk of "overbuilding" boils down to this: A moderate rise in number of vacancies, not enough to put most landlords in trouble or make it easy for tenants to bargain for lower rents.

Future demand, gauged in the same manner, looks rather promising. Here is what is indicated for the five years ending in 1960:

• About 3.6 million households will be added, to be supplied with homes.

• A million homes will be demolished or taken out of use.

• The number of unoccupied units can increase by about a million without pushing the vacancy rate above a moderate level.

On that basis, the country could use about 5.6 million more homes by 1960.

Fewer homes will be made available through partitioning and makeshift provisions, possibly no more than 500,000.

That leaves more than 5 million, more than a million a year, to be newly constructed.

Even more building is possible. Estimates of household formation have tended to be low. The figure originally indicated for 1955 was about 629,000; now it is expected to be about 779,000.

If estimates for 1956-60 also prove low, the market for homes will be bigger than the 5-million forecast.

The general level of business is the deciding factor. You see how prosperity bolsters demand when you study Government figures on housing trends.

Pensions and part-time jobs made it easy for old folks to stay on their own instead of moving in with their children. Young folks, stepping into good jobs, found it possible to move from home to "bachelor quarters" quickly.

Many families broken by death or divorce had enough income to live in their own homes instead of falling back on relatives, as they did in depression days.

Prosperity, if it continues, will sustain the housing market the same way in the future, beyond what could be expected from newlyweds alone; a real slump in building will be unlikely.

Thus, the outlook under present conditions is reassuring for builders and people who invested their savings in houses. No big glut, which would knock values down sharply, is in prospect. Demand seems likely to continue at a level rarely exceeded in the past.

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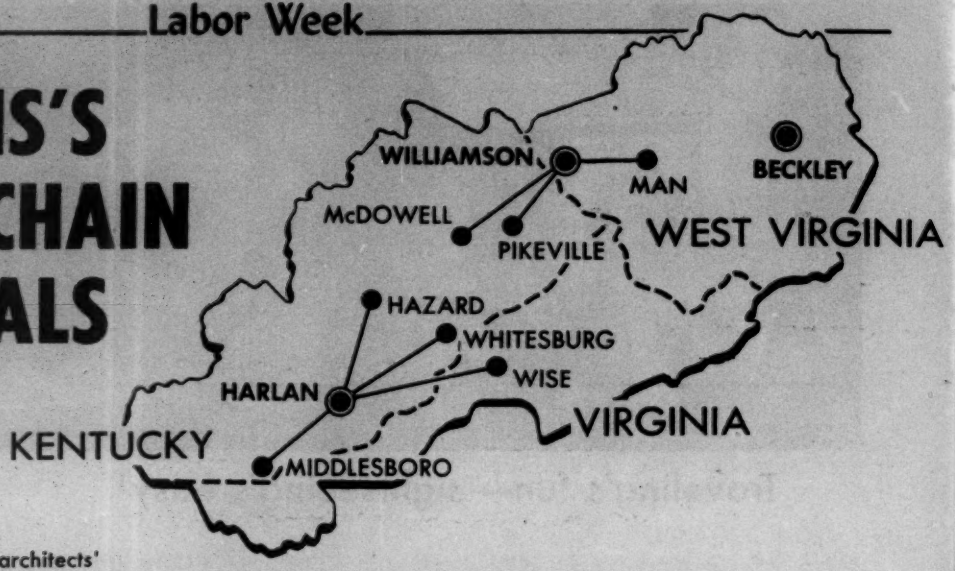
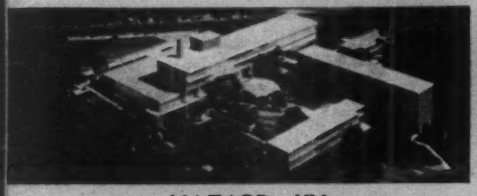
JOHN LEWIS'S 250-MILE CHAIN OF HOSPITALS



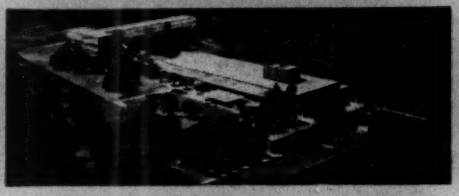
These 10 modern hospitals, shown in architects' sketches, are under construction in three coal-mining States. First unit opens soon at Middlesboro, Ky.

HARLAN, KY.

MIDDLESBORO, KY.



HAZARD, KY.



WISE, VA.

WHITESBURG, KY.

WILLIAMSON, W. VA.

McDOWELL, KY.

MAN, W. VA.

PIKEVILLE, KY.

BECKLEY, W. VA.

MIDDLESBORO, Ky.

IN A MATTER OF DAYS, the glass doors of a modern hospital will swing open in this mountain community to admit the hospital's first patient. With that opening, something new and big in the field of medical care will have been launched.

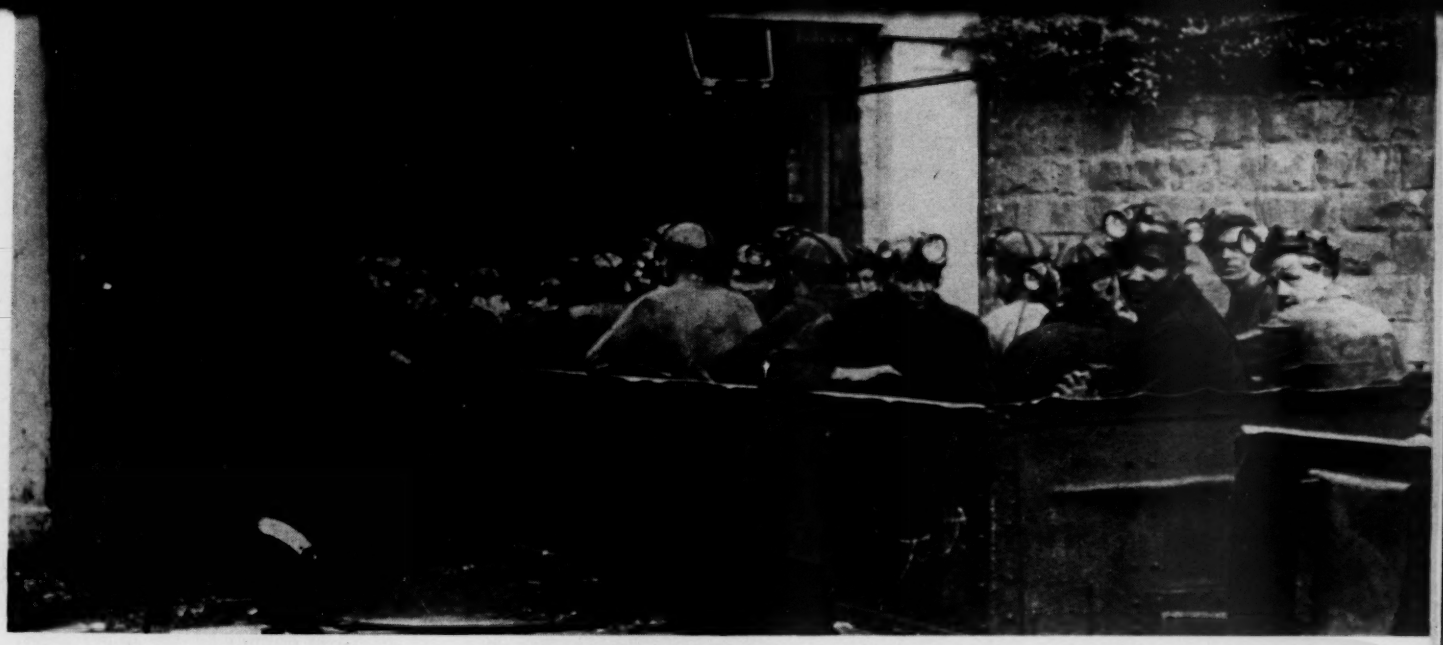
The hospital at Middlesboro will not be large as hospitals go. It will have 60 beds. But it will be unique in many ways. It will cater principally to coal miners and their families. It will be part of a network of 10 new hospitals—250 miles long—that will cover a vast mountain area in three States. And it will be financed, as will others in the chain, by money from the huge welfare fund of the United Mine Workers Union.

This chain of hospitals seems sure to become one of the most spectacular operations of the welfare program set up by John L. Lewis with money contributed by coal operators—royalties on each ton of coal that soon will reach a 10-year total of a billion dollars.

Nothing like this hospital network has been attempted before in this country. Now, in one program, a complete hospital system is being set up in a rugged mountain region. Mr. Lewis has stated that the chain will cost about 26 million dollars to build and equip.

"Chain store" methods will be used in management of the system. Supplies will be purchased centrally for the whole chain, unloaded at a railhead at Williamson, W. Va., and shipped by truck to the hospitals. Some of the communities to be served are isolated in the mountains, can be reached only over winding roads.

Three hospitals, with 150 to 200 beds each, will serve as "base" units. These will provide specialized services not



These miners, and thousands more like them, will be eligible for care in the new hospitals. Men shown are going to work.

available in the smaller hospitals. The larger units are being built in Harlan, Ky., and Beckley, W. Va., as well as in Williamson.

Smaller "satellite" hospitals are under construction in other towns. Patients requiring the attention of specialists may be sent to the base hospitals, or, in some cases, specialists will "ride the circuit" to visit patients in the satellites.

As indicated by the map on page 98, the base hospital at Harlan will be headquarters for the largest group of satellites. Working with Harlan will be units at Middlesboro, Hazard and Whitesburg, Ky., and Wise, Va.

Units at McDowell and Pikeville, Ky., and Man, W. Va., will use Williamson as their central unit. The hospital at Beckley, W. Va., will have no satellites.

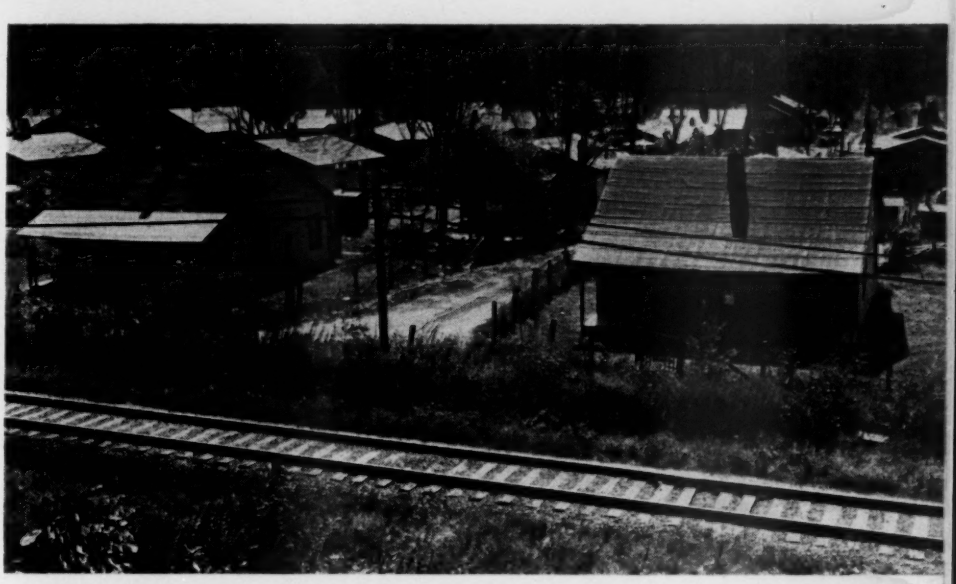
All of the hospitals will have the last word in equipment, although the base units will be more elaborately equipped. No satellite will be more than 65 miles from a base hospital.

The total number of beds in the 10 hospitals will be about 1,040. Individual hospitals will have from 50 to 200 beds each. The chain will employ 1,610 persons.

The Middlesboro unit will start taking patients late this month. Others will open as fast as they can be completed and equipped. The last unit is expected to open next March.

Free hospital care will be available in these hospitals for miners employed under United Mine Workers contracts in this region. Members of miners' families, totaling about a quarter-million people, also are eligible for free hospitalization and surgical services.

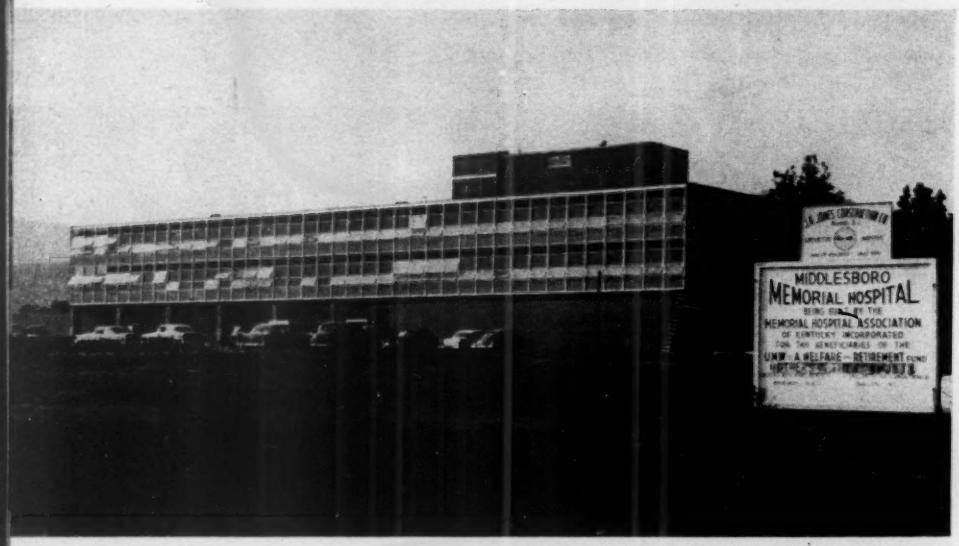
If all the beds are not needed for miners and their families, other residents will be admitted to the hospitals, paying regular fees. Doctors in the com-



From homes like these, miners and their families will go for medical care to modern hospitals such as this one at Harlan, Ky., shown below. As a base hospital, Harlan will take the more serious cases from "satellite" units in nearby areas.

Continued

Jobs in the hospitals will mean income for widows of miners, for their daughters and sons. This is a class in practical nursing now under way at Harlan.



A "satellite" unit, this hospital at Middlesboro has 60 beds. Rooms not needed for miners and their families will be available for others in area.

—Perry, Devaney, USN&WR

Last-minute details at the Harlan hospital are checked by Robert Lee Black, administrator for five hospitals at the southern end of the chain.

munities can bring in their own patients. If a patient is a miner entitled to free service, the doctor will be paid by the Fund. Otherwise, the doctor will be paid by the patient in the usual way. Each hospital also will have staff doctors on salary.

Welfare Fund officials see their hospital program as opening a "new way of life" for people in remote places who never had seen such elaborate hospitals. One official called it "taking Cadillac-style medicine into a horse-and-buggy era."

Many of the miners live in unpainted shacks which lack indoor plumbing and running water. The wind whistles through the many cracks in the walls. A washing machine may be on the porch, but it probably is the only piece of electrical equipment the miner owns.

From such a shack the miner, when sick, will be taken to one of the Fund's "palaces" of steel and glass, brick and concrete. He can be operated on in a room that is air-conditioned, has the latest in surgical equipment.

The miner will be moved, by elevator and rubber-tired stretcher, to his private bedroom—or perhaps he will be in a room for four, depending upon the seriousness of his condition. When mealtime comes, he will select his meal from a printed menu. The food will be sent to his floor by dumb-waiter from a modern kitchen downstairs.

A doctor, after checking over the patient, will pick up a telephone and dictate his medical notes to a recording machine in the hospital's central records room. If the doctor wants advice from a specialist somewhere else in the "chain," he can "talk" the case over by means of a teletypewriter network connecting all the hospitals.

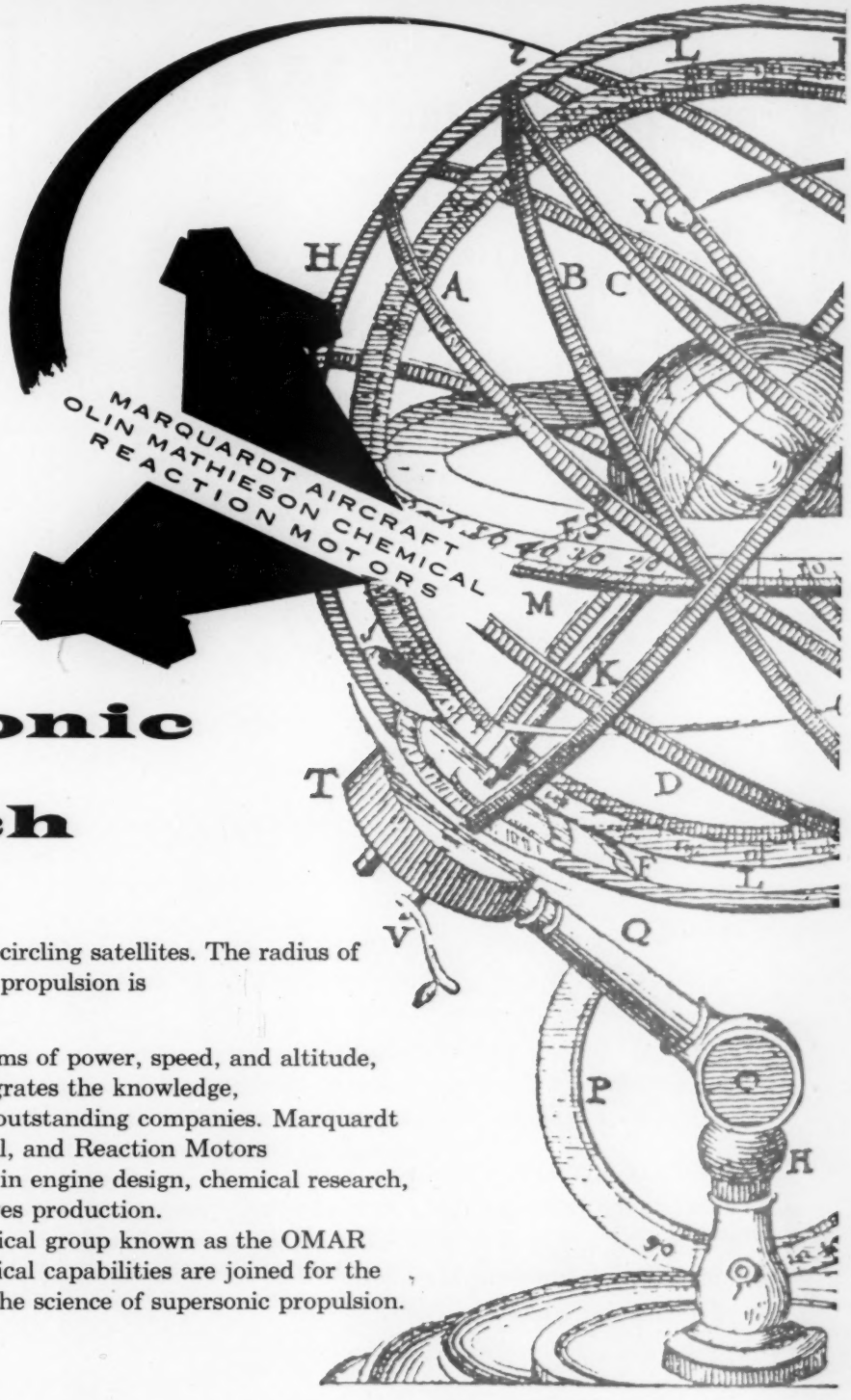
Opposition. Community problems, however, are developing. Some businessmen are unhappy over the hospital wage scale, which starts at $1.25 an hour and goes up fairly fast. Many workers in the area are paid much less than $1.25.

Local medical societies also are watching the hospital program. One doctor said they want to see "if Mr. Lewis tries to take over the medical practice for the whole region." Fund officials deny that anything like that will be done. They say they are co-operating fully with the American Medical Association.

Fund officials explain that the hospitals were built in this region only because existing facilities were inadequate. In other coal regions, the Fund will continue to use community hospitals, has no plans to expand its chain.

One thing worries Fund officials: When a patient is cured in one of the Fund hospitals, will they be able to get him to leave all that luxury?

new orbit for supersonic research



Aircraft . . . missiles . . . now earth-circling satellites. The radius of research in the field of supersonic propulsion is constantly being lengthened.

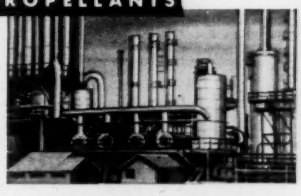
Spearheading an attack on problems of power, speed, and altitude, a unique new research group integrates the knowledge, experience, and facilities of three outstanding companies. Marquardt Aircraft, Olin Mathieson Chemical, and Reaction Motors bring together leading authorities in engine design, chemical research, metallurgy, chemical and explosives production.
Now coordinated through a technical group known as the OMAR Committee, chemical and mechanical capabilities are joined for the first time to add new impetus to the science of supersonic propulsion.

3360

RAMJETS

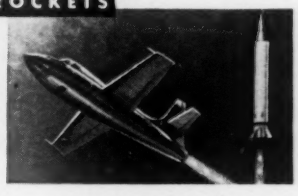
Marquardt Aircraft Company

PROPELLANTS



Olin Mathieson Chemical Corporation

ROCKETS



Reaction Motors, Inc.

MARQUARDT AIRCRAFT
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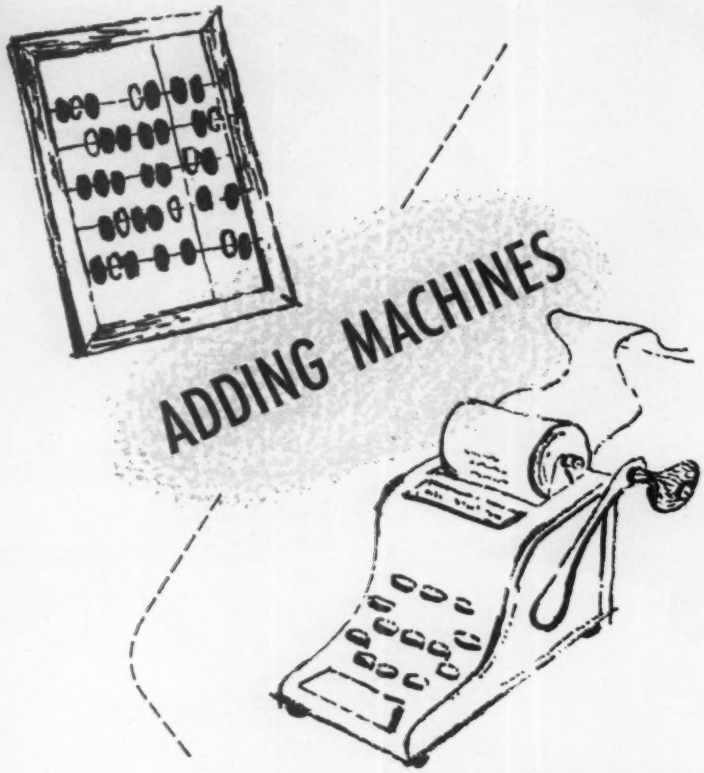

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We've Been Asked:—

WHAT IKE CAN'T DELEGATE

- **Who is given the right to act when a President is stricken and can't carry on?**
- **Some powers of President go to others; some belong only to him.**

Is it true that only the President personally can perform some of the duties of his office?

Yes. The Constitution laid down rules under which only the President can do certain things. Many functions of Government and of the White House can go on during illness of the President. But some require action by the President himself—the powers cannot be delegated.

What, specifically, must the President do himself?

One thing is that he must sign a number of documents and papers. These include certain executive orders and other documents involving important Government decisions. When a President is ill, this might be a physical impossibility, even though his mind is entirely clear. But no one is authorized to sign the President's name on letters or documents.

Couldn't a rubber stamp be used?

No. White House officials say that use of a rubber stamp for presidential signatures would be illegal, even for routine documents. It's custom for the President to sign each paper requiring it with his name or, in some cases, his initials.

How big a job is it for the President to sign papers?

It's still fairly large, though not as large as it was a few years ago. President Truman often sat up at night signing routine papers. Because of this, Congress passed a law permitting the President to authorize Cabinet officers and some other department and agency officials to act and sign various papers under written delegation of power by executive order. But the President himself must act where the Constitution puts the responsibility solely upon him.

By delegating authority under the above law, the President has eliminated much paper work and routine activity. However, officials must sign their own names, not that of the President. Since passage of this law, the President has done away

with a large amount of name signing by delegating authority to the Secretary of Defense, for some personnel matters of the armed services, and to other members of the Cabinet.

Can't the Vice President sign for the President?

The Vice President in signing papers cannot use the President's name. After President Eisenhower became ill, Vice President Nixon did sign some communications that ordinarily would have carried the President's signature. But this was done "on behalf of the President" in Mr. Nixon's name. Involved were such things as greetings to a convention, rather than important official business. And the Vice President was not acting on any specific delegation of power by the President.

Can the President delegate authority to sign acts of Congress?

He cannot, although that is not involved now, as Congress is not in session. Only the President can approve or veto bills passed by Congress. However, a bill becomes law if allowed to lie without action for 10 days after reaching the White House—not counting Sundays—while Congress is in session.

Are there other powers that the President cannot delegate?

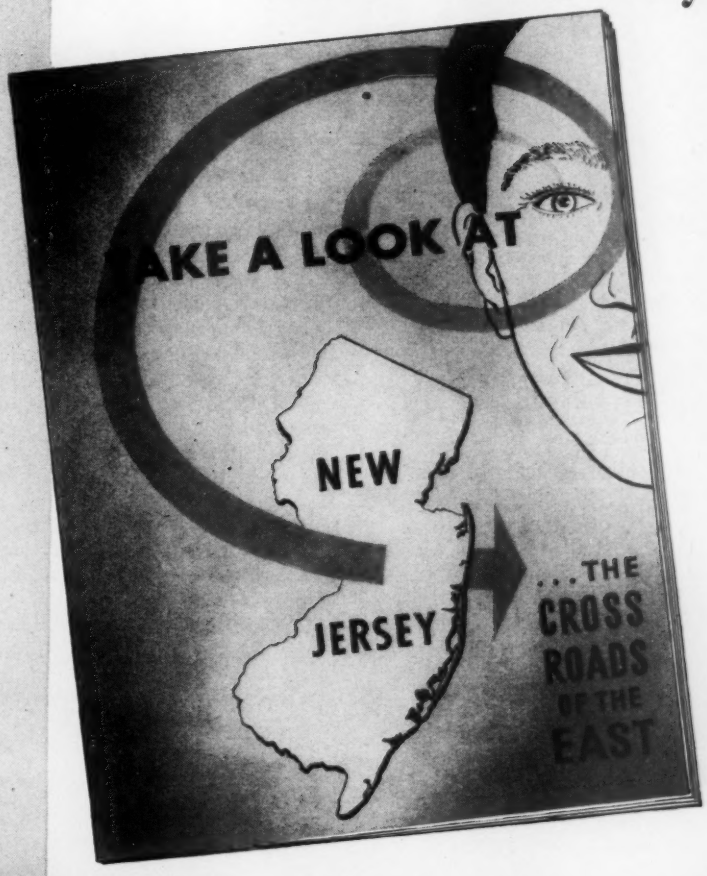
Yes. For example, certain emergency stand-by powers can come into operation only when a state of national emergency is declared by the President. A recent act of Congress gave the President, in advance, permission to use U. S. armed forces to defend Formosa and the Pescadores against attack by the Chinese Communists. It's possible, of course, that such an attack would bring resistance by American forces even though the President were unable to order it.

Does the President delegate much authority to others?

Yes, he does, though he retains both power and responsibility. For example, although the Constitution says the President must make a number of appointments to federal positions, it is routine for various departments and officials to do most of the selecting and screening of persons for these jobs. Similarly, others do most of the groundwork for treaties, pardons and reprieves of federal prisoners, and other constitutional duties. But here, too, the President's signature usually is required on the final documents to make them legal.

In the same way, aides to the President act on his behalf on many occasions, including ceremonial and social affairs. Actually, responsibility is spread over such a wide area that Government can continue in most day-by-day activities even at a time when the President is unable to take part.

NOW that you are back to work, you should have a copy of this book about New Jersey...



READ this book

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memo

FROM DENVER

ON WITH THE JOB

LOWRY AIR FORCE BASE—The summer White House is going right on with its work—routine as well as important—despite President Eisenhower's illness.

The 80 or so staff members who accompanied the President to Denver a few weeks ago have plenty to keep them busy, now that the first shock of his illness has passed.

Telegrams from well-wishers all over the world are still arriving. Cabinet officials in Washington have to be kept posted on the President's health. About 100 newsmen, camping here, relay the latest medical bulletins to readers around the globe.

Official communication with the White House in Washington is instantaneous—by direct telephone and telegraph lines. Complicated coding equipment is used to send highly classified material. Nothing can happen in Washington that cannot be made known to President Eisenhower's assistants here immediately.

As things have worked out, however, the staff here has been dealing with little of importance since the excitement of the first day or so.

A cleared desk. Mr. Eisenhower, on his last day at the office before his illness, cleaned up the work on his desk. He signed his name about 30 times, taking care of all documents that required his signature.

The summer White House has a sizable staff—ample to keep things going.

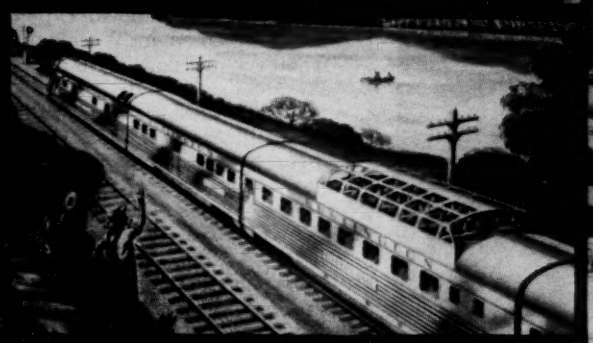
This staff occupies the entire second floor, and part of the first floor, of the administration building at Lowry Field. The President's office is a small room on the second floor. There he could work for a few hours in the early mornings, within

(Continued on page 106)

—Wide World

FOR WAITING MILLIONS . . .
. . . more than 100 newsmen watch the President's condition

BURLINGTON VISTA-DOMES



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To advance your business through the selling power of printed pieces is not an arduous task when you make full use of your printer's services. The first thing to remember is: *bring your printer into the picture right at the start.* Let him sit in on the early planning. He will then be able to contribute his skill and craftsmanship at every stage of creative development and you will save the most in dollars and in hours.

Your selling literature will most likely be printed on Warren's Standard Printing Papers. Printers anxious to deliver superb printing results select Warren papers for their dependable uniformity and brilliant reproductive qualities.

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memo

. . . With Congress in recess, work load is light

sound of jet aircraft thundering down the runways.

Personal secretaries to the President and Mrs. Eisenhower, the clerical help, a 15-man Signal Corps detail and 25 Secret Service agents occupy other offices. Housing is provided at the Base.

Few top aides. Only a few of Mr. Eisenhower's chief assistants accompanied him from the national capital. Most of them remained in Washington to make whatever decisions were necessary in the President's absence.

One of those decisions after the President's illness was for his trusted No. 1 assistant, Sherman Adams, to go to Denver with two papers for the President to initial—not sign—and to run the summer White House.

Before that decision was made, the President's Press Secretary, James C. Hagerty, had been making several trips a day to Fitzsimons Army Hospital in nearby Denver to keep an eye on things, and calling up Washington officials a half dozen times daily to keep them posted on the President's condition and other important matters.

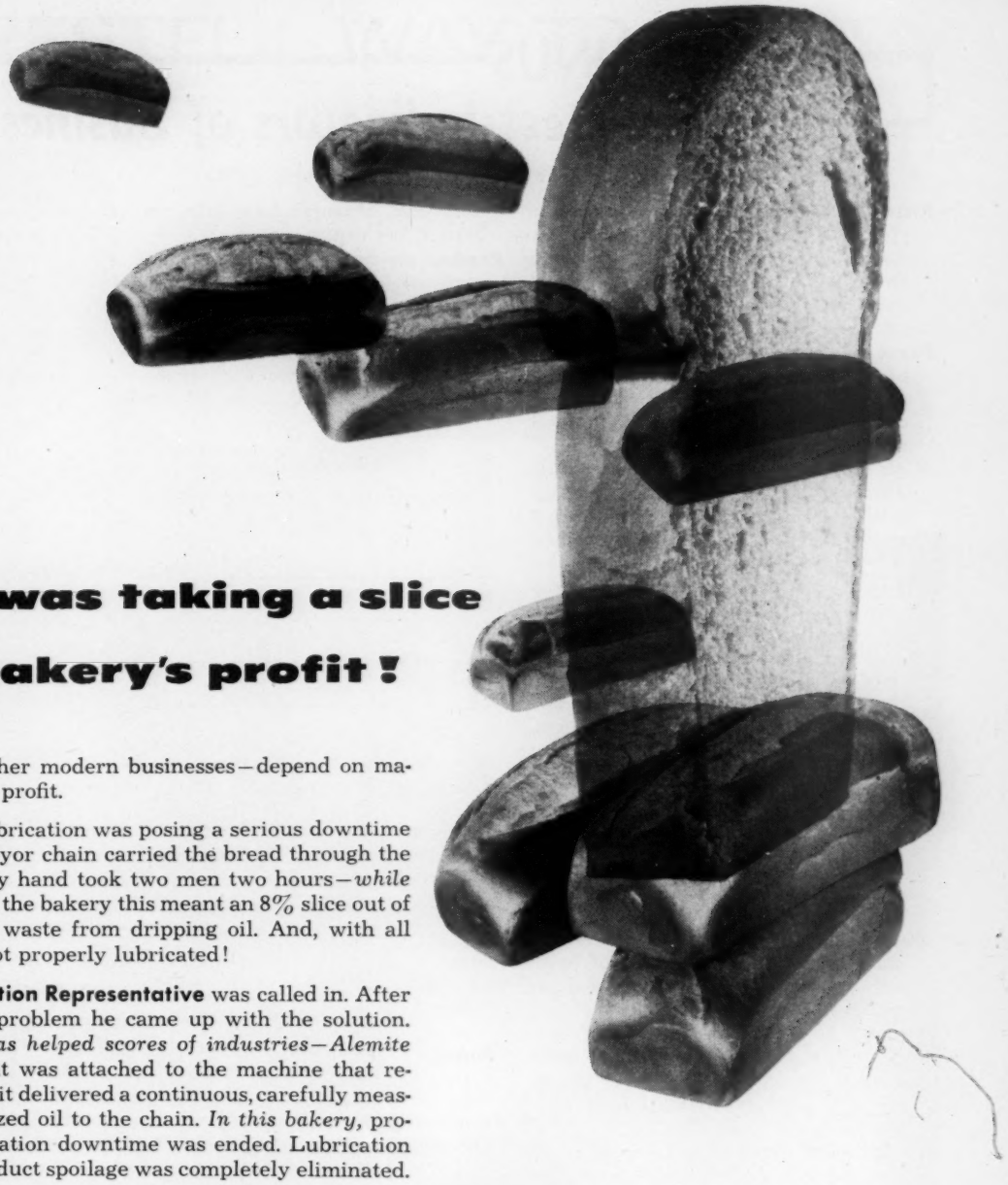
Mr. Hagerty also deals with newsmen and photographers—quadruple the usual total at the summer White House. They maintain a 24-hour watch for important news, sleeping on cots that were put up hastily in a wing adjoining the press room.

On one day alone, 165,000 words were telegraphed out of Denver by news correspondents.

Calm again. The atmosphere now, once more, is one of normality rather than urgency. Telephone calls are falling off. So is mail. Hectic news conferences have been replaced by four routine reports a day.

What helps keep things quiet is the fact that White House business is slow at this time of year. Congress is not in session. Work on the next budget and the President's state-of-the-union message is still in its early stages. Officials and secretaries have time to answer some of the stacks of telegrams and mail from the President's well-wishers, and work on ordinary White House matters—departmental reports from Washington, personnel shifts, travel plans of Administration officials and similar matters.

In other words, work is getting back to normal—and that's the way that officials want to keep it at the summer White House as President Eisenhower recovers.



downtime was taking a slice of this bakery's profit!

Today's bakeries—like other modern businesses—depend on machines for production and profit.

In one modern plant, lubrication was posing a serious downtime problem. A 400 foot conveyor chain carried the bread through the ovens. Oiling this chain by hand took two men two hours—*while the machine stood still.* To the bakery this meant an 8% slice out of production. Spoilage and waste from dripping oil. And, with all this, the chain was still not properly lubricated!

Then, an Alemite Lubrication Representative was called in. After a careful analysis of the problem he came up with the solution. *The same solution that has helped scores of industries—Alemite Oil-Mist!* An Oil-Mist unit was attached to the machine that required lubrication. This unit delivered a continuous, carefully measured supply of cool atomized oil to the chain. *In this bakery,* production waste from lubrication downtime was ended. Lubrication loss was cut 90%. And product spoilage was completely eliminated.

This is typical of the assistance Alemite offers industry. Whatever you manufacture, whether your plant is large or small, chances are an Alemite lubrication system can save you money. And expert lubrication advice is yours at no cost or obligation whatsoever. Wherever you are there is an Alemite representative ready to serve you.

Oil-Mist central unit where oil is atomized for delivery to bearings . . .

FREE—the complete story of Oil-Mist—how it can bring these savings to any machine in your plant. Specifications, typical installations, case histories.

Three types of fittings allow the use of Alemite Oil-Mist on any bearing—any machine!

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3. Oil-Mist Condensing fittings are applied to plain bearings, slides, ways, vees, cams, and rollers. Completely condense Oil-Mist.

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PLUS & MINUS
Latest Indicators of Business Activity

Rising consumer spending has been a principal cause of the business advance and is still a major influence, Department of Commerce officials point out. The biggest increase in spending has been for durable goods.

Personal-consumption expenditures rose 15.4 billions in the year ending in June, accounting for more than half of the 27.2 billions increase in total gross national product.

High incomes encourage freer spending. Total personal income ran at the annual rate of 304.7 billions in July—6 per cent above a year earlier. Record net spendable weekly earnings of $63.61 received by the average factory worker in August were 8 per cent more than in August, 1954.

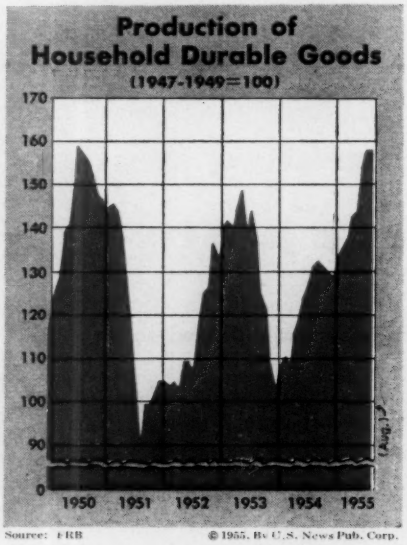
Consumer willingness to spend a larger share of income also is a factor in the sales rise. Individuals now spend about 94 cents of every dollar of disposable income, compared with about 92 cents in 1953 and early 1954.

Durable-goods purchases in the second quarter were 21 per cent above a year earlier. Expenditures for nondurable goods were up 4.1 per cent and outlays for services were 5.3 per cent higher.

Retail-store sales show the trend. In eight months this year, sales of furniture and appliance stores ran 10.3 per cent ahead of the same period last year. This gain was exceeded only by a 20 per cent increase at automobile agencies. Other retail groups showed gains reaching from 3 to 9 per cent.

Department-store sales also illustrate the point. Sales of major appliances this year are running 28 per cent above last year, although total sales are up only 4 per cent.

Production has reacted to the rise in demand. Output of major household durables is 20 per cent above a year ago and 45 per cent above the low of 1954. It is below only the peak reached after start of Korean war, as the top chart shows. Total industrial production is 14 per cent above August, 1954, which was the low of the year.



Source: FRB
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Furniture production, up 22 per cent from last year's low, is the highest since early 1953. Orders booked in August were 19 per cent above a year earlier.

Major-appliance output is at a record, up 50 per cent from the low point of 1954 and 36 per cent from a year ago.

Kitchen ranges show a 70 per cent improvement over the low of last year, with output the highest since early 1951. About 900,000 electric ranges were shipped in seven months this year, compared with fewer than 700,000 in the same period last year.

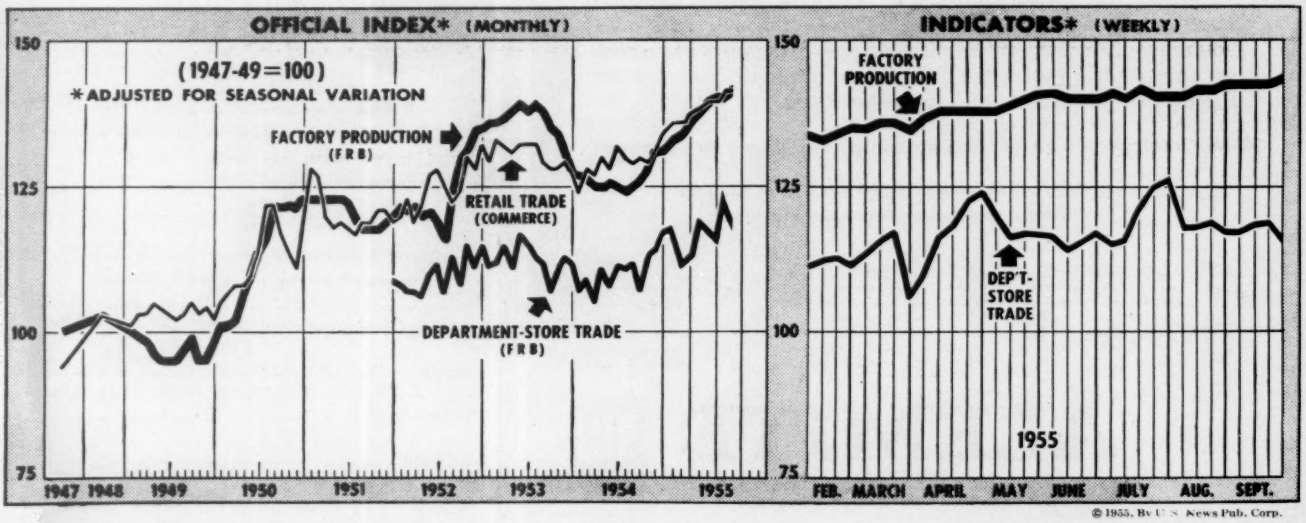
Refrigerators and freezers are being turned out at a rate 57 per cent above the 1954 low. Shipment of 2.6 million refrigerators in seven months this year are above the 2.2 million in the same period of 1954. Freezer shipments of 450,000 units about match the January-July total last year.

Laundry-appliance production is at a record rate, 75 per cent above the low of 1954. Through July this year, compared with last, shipments of washing machines rose to 2.3 million from 1.9 million; of dryers to 390,000 from 335,000. But demand for ironers was off to 48,000 from 51,000 units.

Vacuum-cleaner shipments through July this year exceeded 2 million compared with 1.5 million in seven months of last year.

Television production of 5.7 million sets in nine months of this year was a record for the period, 21 per cent above the same span in 1954. The annual total this year promises to surpass the record 7.5 million of 1950.

Credit has been a large contributor to the growth in sales of consumer durables. Installment credit extended this year through July was 28 per cent greater than in the first seven months of last year. If credit controls and rising prices curb consumer buying of durables, much of the drive behind the business advance will be curbed.



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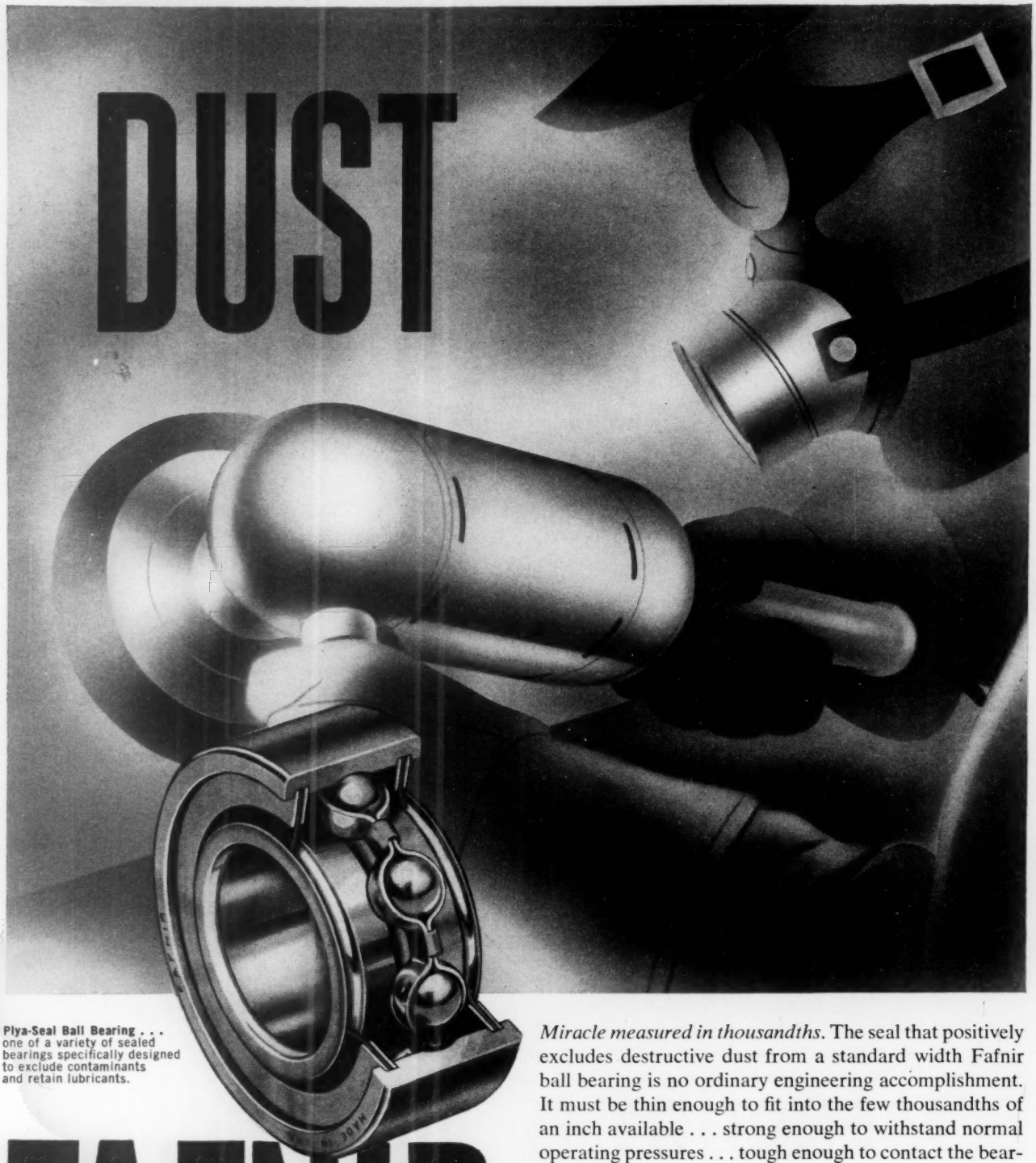

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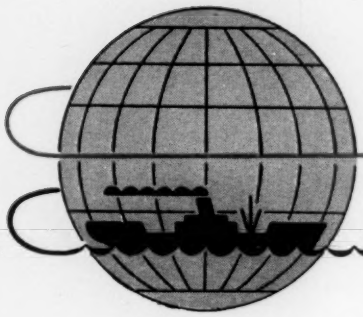

Business Around the World

LONDON • PARIS • OTTAWA • BUENOS AIRES • ROME

›› Europe has just rediscovered something it had almost forgotten.

Not even a record boom can insulate Europe from U.S. changes. Reaction of European stock exchanges to President Eisenhower's illness makes this clear.

A sharp drop in security prices in New York was followed immediately by declines in London, Paris, Amsterdam, Milan. As was the U.S., Europe was jolted.

Europe, booming, had tended to put aside old fears about U.S. ups and downs. Some deep thinkers theorized that Europe, in fact, was acquiring immunity to shocks from America. Hadn't Europe increased its production, sparked its own boom in 1954 at a time when U.S. output still was slipping?

But now this theory of European immunity sounds somewhat less convincing. A tremor in the U.S. is, after all, recorded in the markets of Europe.

›› In London, you find a growing awareness in official quarters that Britain's export drive depends heavily on the state of the U.S. economy.

As one high British official puts it, with a worried look at Britain's boom: "We hope that prosperity will continue at a high level in the U.S. Then, the world markets for manufactured goods should also stay high."

›› There's this additional reminder of how the U.S. continues to provide underpinning for Europe and the rest of the world: U.S. arms spending overseas continues heavy. Total, first six months of 1955, was 1.4 billion dollars.

This is one reason why gold and dollar holdings continue to be built up overseas, even though U.S. commodity exports exceed U.S. imports.

›› Full story of U.S. business expansion in Britain is just beginning to come to light. It's a boom within a boom. Here's the story, boiled down:

U.S. goods made in Britain now far exceed total of U.S. goods imported by Britain. Total of almost 2 billion dollars' worth of U.S.-type commodities were turned out in Britain last year by subsidiaries of U.S. firms, joint Anglo-American companies, or British firms operating under U.S. licenses.

Imports from U.S. of manufactured goods, in contrast, totaled 392 million dollars during the same period. This doesn't include military items.

British consumers, that is, are buying American at an increasing rate. But four fifths of the U.S. products they buy are actually made in Britain.

›› Advantage to U.S. firms of operating inside Britain is, of course, that they can sell for sterling both in Britain and throughout the sterling area.

Low costs are another important advantage. A cost advantage of 10 to 15 per cent over U.S. is common. Lower wages in Britain make the difference.

(over)

For instance: A firm making a small engineering product finds that every one of the 31 components in its product can be made in Britain and delivered to Canada cheaper than it could be from the United States.

Advantages to Britain are also important. Dollars are saved--and used to buy other products from America. Britain's export drive is helped along in a big way. Export volume of these U.S. subsidiaries in Britain in some cases is up to 75 per cent of their total output. This is true of farm tractors, radio sets, cotton textiles, miners' lamps. Refrigerators are another big export item.

>> If you're interested in details of this U.S. manufacturing tie-up with British firms, keep an eye open for a book by John H. Dunning, a professor at Southampton University. The book, soon to be published, is based on an elaborate study made by Mr. Dunning under auspices of the British Board of Trade.

>> In Ottawa, after top officials of U.S. and Canada talked things over.....

U.S. agrees to be more careful in getting rid of its surplus wheat abroad, to try to avoid cutting into Canada's export markets.

Canada hints it will agree to a lower maximum price for wheat sold under the International Wheat Agreement. A cut of 20 cents a bushel is looked for.

Wheat headache, however, remains--and neither Canadian nor U.S. top men have a remedy. More conferences are unlikely to dent the surplus much.

>> Optimism about the business situation in Argentina is premature. Not even the new leaders of the country know what they can do--or perhaps want to do--about exports and imports, foreign investments, devaluation.

As a very turbulent situation looks from Buenos Aires.....

Oil deal with U.S. firms is probably a dead duck. Anti-Perón forces never liked the idea of having American oilmen exploit Argentine oil reserves, even if Argentina has to keep on importing oil it can't afford.

In general: Argentina's new economic policy has yet to be shaped. The men who ousted Perón weren't primarily sponsoring any particular economic policy. They were mainly against Perón. Their economic ideas, if any, remain to be put forward. Meanwhile, they may have their hands full staying in power.

>> Under the surface of Europe's boom.....

Fear of a French crisis is given as the reason for the sudden demand for gold in Paris. A political crisis, not an economic one, is expected over the failure of the French Government to settle the mess in Morocco and Algeria. Businesswise, France appears stable. But strikes seem to be on the increase.

Labor shortage in Germany shows signs of turning frantic. In the building industry, especially, West Germans are bidding against each other, in some cases hiring workers away from rival firms with 10 per cent pay boosts.

Dividends in Britain, running 21 per cent over last year's, are giving labor an argument for higher wages. Also, firms paying out highest dividends tend to be firms producing for Britons, not for export customers. Profits appear higher, easier in the domestic market.

Italy's industrialists, while pleased at record exports, are beginning to wonder what happens to the Italian economy when U.S. spending for arms in Italy tapers off. In two more years, offshore procurement orders totaling 500 million dollars will have been delivered. And then? Italians hope U.S. has the answer.

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Interview — with HOMER and NORTON DODGE

WHAT'S WRONG WITH SCHOOLS IN THE UNITED STATES

Is there something basically wrong with this country's educational system? Why is Russia gaining, U. S. losing ground in the training of scientists and engineers?

Answers are given by two experts, Dr. Homer L. Dodge and Norton T. Dodge, who just returned from an investigation of the Russian system. Homer Dodge has spent years studying education in the U. S. and abroad.

This close look at the weaknesses in America's high-school and college courses follows an interview with the Dodges on Russia's educational methods in *U. S. News & World Report* for Sept. 16, 1955.

Q In a previous interview about education in the Soviet Union, you gentlemen emphasized the great amount of science and mathematics that Russian students are taught. By comparison, just how much training in science and mathematics do American students get?

A Figures on the American schools show that half of this nation's high schools do not even offer courses in chemistry; 53 per cent do not offer physics. Since 1900, the percentage of high-school students studying algebra has dropped from 56 per cent down to 24 per cent. For geometry, the drop has been from 27 per cent to 11 per cent, and, for physics, from 19 per cent down to 4.3 per cent. Only 2 per cent study trigonometry. In place of these have appeared such courses as "consumer mathematics."

Q What's that?

A We're not quite sure. Probably it teaches you to count on your fingers.

Q Do you feel, then, after looking over the whole field of education in this country and in Russia, that we need to do something here in the U. S. to keep our lead?

A Yes, very definitely. If we are going to safeguard our national security and maintain our scientific supremacy, it is imperative that we raise both the number and quality of our graduates in engineering and science.

Q Should we teach more science in our schools?

A In this day and age, when everything depends upon science—everything about us in our daily life—there's a very practical need for a knowledge of science.

Science also affects our whole civilization and is a determining factor in material development and national strength. The time is past when a person can be regarded as educated who doesn't know his science. Science—real science—should be woven into the curriculum. Of course, when it is taken by every single pupil as a part of his general education, it should start in a lower grade and must be taught by a skilled teacher who knows science.

By the end of junior high school, the pupil should be well informed. Elective courses in the different sciences could still come in the last years of senior high school. The level of these courses, however, should be raised about a year by virtue of the better foundation that would be achieved in the earlier years. It's only by some such method as this that we are going to be able to cope with the decline in science studies.

Q Do the educators want such changes? Haven't they created the present situation?

A We should distinguish sharply between educators and "educationists." The control of elementary and secondary-school education in America is in the hands of educationists who for the most part have not studied science and know nothing about it. They are anxious that youth "understand the influence of science in human life," but no word is said about understanding science itself.

Q How can a reform be accomplished?

A It's about like carrying out a revolution in Russia. The educationists are well entrenched. They know and exercise their power.

The hopeful thing is that fathers and mothers, leaders in industry and government and even some of the columnists are becoming disturbed and aroused. Those who do understand that there is at stake not only the right of the bright American child to a sound liberal education but also the welfare of the nation must spare no effort in bringing pressure on those in charge of our public schools.

Q Would such changes as you suggest make school too hard for American youngsters?

A We have more faith in American youngsters than the educationists. If, in England and Scandinavia and in other democratic European countries, they can insist that all their high-school graduates shall receive substantially the same training in science that the Russians will soon be giving to all their children, then why in this country should we not be willing to put some real substance into our education program by introducing science subjects early enough in the process so that it is a natural thing to have them required of

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Evils of Letting Slow Students Set Pace . . . Need for Earlier Science Teaching . . . Lessons From Russia

all? Then elective courses can be introduced after all pupils have had the exposure to real science in all fields and are prepared to make intelligent choices.

Our children would have to work harder, but our observation of children in the countries mentioned led us to believe that it might be a good thing for them. What the Europeans accomplish so well in 10 years we should be able to do in 12.

Q Isn't it also a problem of public attitude toward education? In this country we believe in mass education whereas, in Europe, only the brighter children get the education—

A There is something good that comes from the fact that our youngsters all go through the American schools together. This is in the tradition of American democracy. But the tradition must not degenerate into a worship of mediocrity. Equal opportunity does not mean every youngster should take the same curriculum or should advance at the same rate. In this country we must not only raise the level of the average but also separate out the more gifted students and give them the work they should have. We should do it in terms of our tradition.

Q Are we in our public schools paying more attention to the less able children than we are to the gifted children?

A Yes. Educationists design their curricula to fit the needs of the weaker students. They are concerned more with lowering standards in order to increase "holding power"—this is their term for watering down a course—than with raising standards and providing an intellectual challenge and a firm foundation for advanced work.

Q Have we things to learn, then, in this country about education?

A If we would send our educational administrators to Europe to study education instead of to teachers college, education in America would be the better for it.

Q But would we still be short of good science teachers?

A Unfortunately, there has been a vicious circle in this country. With the increasing neglect of science there are fewer potential teachers being introduced to science in our high schools. After completing their college training the best of these are drawn off into industry and research, and few find their way into high-school teaching.

The solution of that problem can come only through the raising of salaries and increasing the other rewards of teaching, and the encouragement of the brighter young people to go into scientific fields. Here is where Russia has shown considerable skill. They have plenty of young students eager to go into teaching.

Q What is the basic trouble in American education?

A At the root of our difficulty lies the growing separation of elementary and secondary education from higher education and research. The fundamental unity of educational purpose has been destroyed, and the high schools are failing to provide a foundation upon which advanced work, not only in the sciences but in all fields of scholarly endeavor, is based.

Q What do we need to improve our system?

A Russia's challenge simply emphasizes the urgency for long-delayed reforms in our educational system. First of all, we need a reform in curriculum. This will not be easy, for the educationists are a powerful and politically entrenched group and do not hesitate to smear their honest critics with epithets of "enemies of the public schools" or even "enemies of democracy." Although the ranks of outraged and frustrated parents are growing, public apathy must be overcome. In this country, to be successful, a reform must be widely supported. It cannot be ordered.

Q It's up to each community to demand it?

A Yes, it will be necessary to develop a desire on the part of parents and community leaders to give their children the rigorous intellectual training they are entitled to. At present our youngsters are being spooned a premasticated pabulum which has insufficient substance to exercise the mind of a simpleton. On this fare, bright minds become dull and dull minds cease to function at all.

Q Are you talking now about what they call "progressive" education?

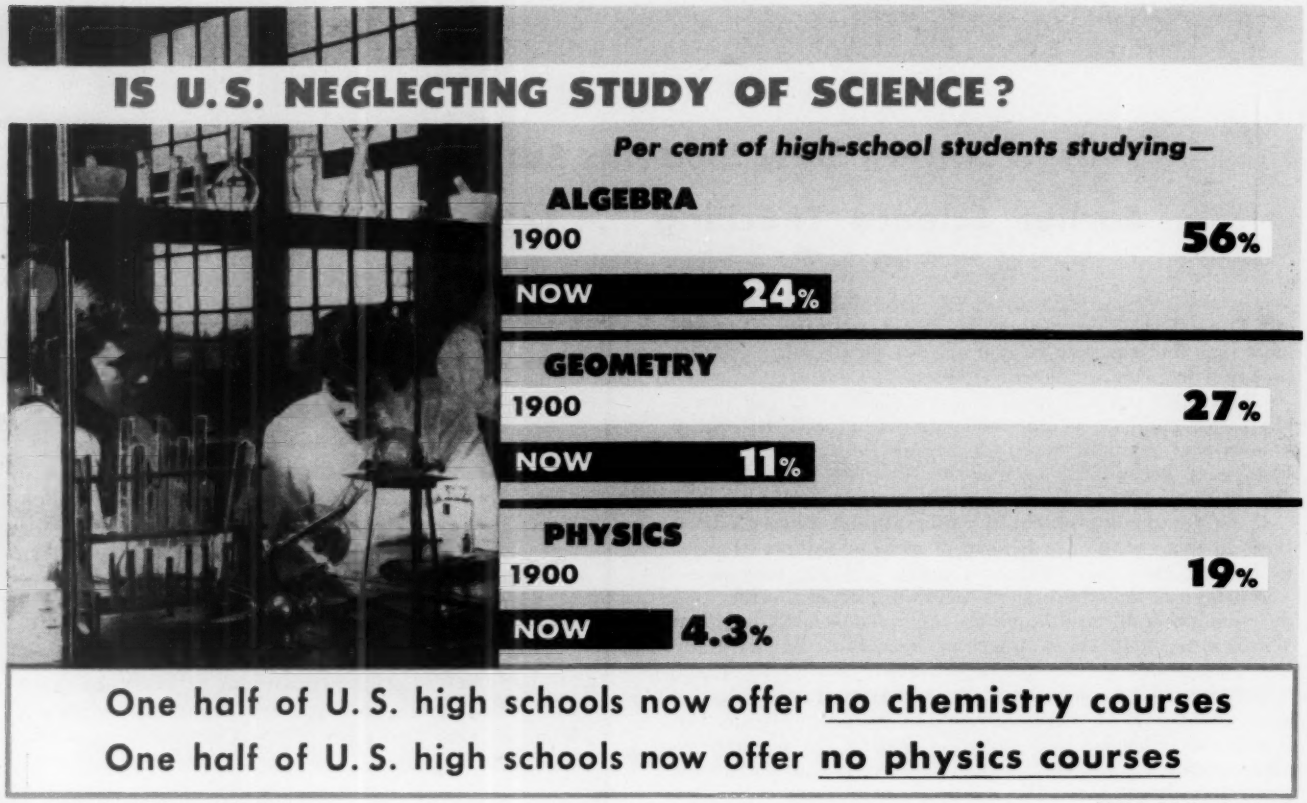
A Yes. The trouble began when John Dewey said that not knowledge or information but self-realization is the goal of education. The educationist took this to mean that he was freed from the task of transmitting knowledge and proceeded to develop "life adjustment" curricula centered on "real-life problems," such as "how to make a successful date," instead of the three R's and other courses with substance.

(Continued on next page)

HOMER L. DODGE, educator, scientist, lecturer, taught for 25 years at the University of Oklahoma, headed the physics department there. In 1944 he became president of Norwich University, in Vermont, is now its president emeritus.

Dr. Dodge has studied teaching methods in the U. S., Europe, Japan, once visited nearly 100 colleges in all parts of the United States, evaluating teaching methods. He will be 68 this month, makes his home in Burlington, Vt.

NORTON T. DODGE, son of Homer Dodge, is 35. He has been a graduate student at Harvard since 1951, specializing in Russian economics. He speaks Russian, was translator on the Dodges' month-long visit to the Soviet.


IS U.S. NEGLECTING STUDY OF SCIENCE?
Per cent of high-school students studying—
ALGEBRA
1900 56%
NOW 24%
GEOMETRY
1900 27%
NOW 11%
PHYSICS
1900 19%
NOW 4.3%
One half of U. S. high schools now offer no chemistry courses
One half of U. S. high schools now offer no physics courses
Source: Dr. Homer Dodge and Norton Dodge
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A high-school curriculum now consists of education for family living, consumer economics, job information, physical and emotional health, training for world citizenship and statesmanship, and last—and, we're afraid, least—training in fundamentals. These "life adjustment" courses are little more than juvenile bull sessions with an emphasis on the group which stifles genuine individuality. Dewey has been confuted and our youth cheated.

Q But isn't self-realization a worthwhile goal for education?

A Of course, but knowledge and information are the material with which we think—they are basic to self-realization. The trouble with the educationists is that they regard any subject, from personal grooming to philosophy, as equally important or interchangeable in furthering the process of self-realization. This anarchy of values has led to the displacement of the established disciplines of science and the humanities by these new subjects.

Q Isn't the problem more than just what we should teach? Aren't we also concerned with how it should be taught?

A You are right. And this, by the way, is a matter that properly concerns the educationists. We can't have enough good teaching. Although there are many able, well-qualified, overworked and underpaid teachers who are doing the best they can under difficult circumstances, the appalling truth is that it is our least intelligent and most poorly educated college graduates who are becoming teachers.

Knowing how to teach serves no purpose unless accompanied by knowledge and understanding of the subject, which always must be the raw material for any successful teaching process. This may have a bearing on the fact that professors of education are notoriously bad teachers. They have ways of explaining this away, of course, along with many other unpleasant truths.

Q What can we do to improve the quality of the teachers?

A First of all, it is necessary to encourage abler persons to enter the teaching profession. Among other things, this requires higher salaries, restored respect and freedom from the tyranny of small minds controlling educational policy. We also need to raise the professional qualifications of existing teachers. And by this we don't mean more courses in education.

In the Soviet Union students at pedagogic institutes get four years of substantial training in subject matter in addition to training in methodology. Strong emphasis on subject matter also characterizes the training of European teachers. Here, on the other hand, education students, because of the welter of required education courses, receive inadequate preparation in the subjects they are expected to teach.

Then, as a result of the educationist's control of certification and advancement requirements, the teacher is forced into still more advanced work in education instead of in much-needed courses in subject matter. Thus is ignorance perpetuated. What is needed is certification and advancement based on State-wide examinations in subject-matter fields.

Q What effect does poor high-school training have on the colleges? Does it pull their standards down?

A That is inevitable, although some protection has been devised. A number of States require that a high-school graduate be admitted to any State college or university.

Q Regardless of grades?

A Only a diploma is required. In self-protection the col-

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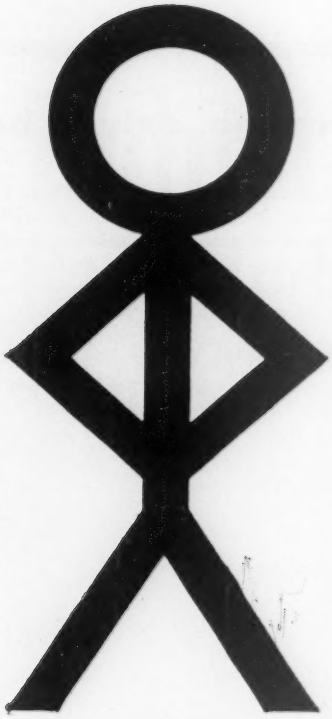

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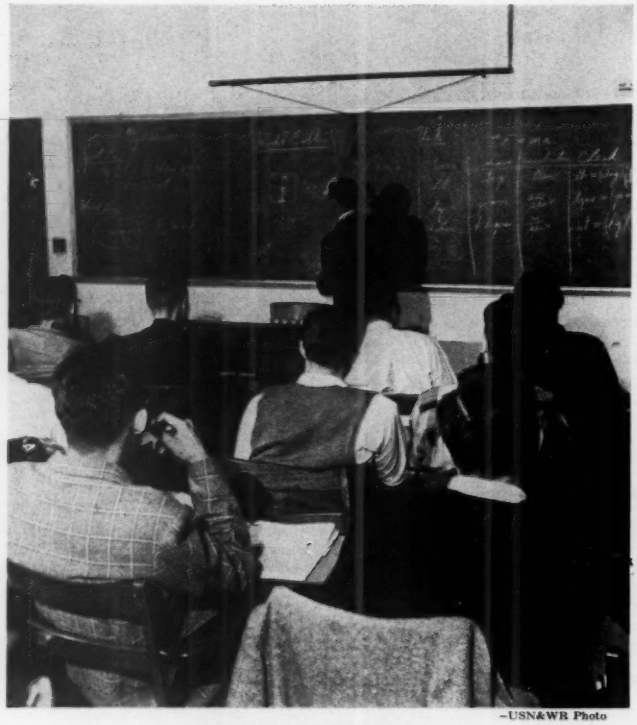
. . . "Of 10,000 bright enough, only 15 become physicists"

leges give qualifying examinations in English, mathematics and other subjects to find out whether a freshman is ready to take the college course. So many fail these examinations that special courses called "English zero," "Math zero," etc., are given without credit. Some freshmen have to spend the better part of the year on "zero" courses before they can qualify for legitimate college work. They are college students according to the law, but are doing work they should have gotten in high school. There you have your comment on American high-school education.

Q Isn't there also a reverse situation? Aren't there many bright students who get to college with a good background and then don't learn anything until their junior and senior years?



—USN&WR Photo

COLLEGE FRESHMEN
"Young engineers are in a hurry to start earning"

A Yes, that's true. The early college courses are too often geared for the average graduate of the average high school. Bright students have to suffer not only all the way through high school but also through the first years of college. At last, when they are about to finish, they begin to get the education they've been seeking.

Q Is there anything wrong with our engineering training?

A The technical base for engineering has only recently shifted from one that was largely empirical to one that is primarily scientific. Many of our engineering colleges have failed to alter their curricula and approach to reflect this change. Three fourths of the engineering colleges provide inadequate grounding in physics. Many need to add more mathematics and chemistry to their curricula.

Q Would you suggest that the engineering-training program should be lengthened to include more work in the basic sciences and mathematics?

A Yes, very definitely. But even some of the leading engineering educators have a profound misconception of the role engineering education should play. The other day we were discussing the need for a more thorough training with two of them. Did they discuss it on its merits? No; they disposed of the matter by saying, "It would delay the graduation of engineers too long. The young engineers are in a hurry to start earning their $400 a month. They mustn't be held up by having to get an education."

Imagine the public reaction if this were the attitude our leading medical educators took with regard to training doctors. I have seen very little evidence of any desire or attempt on the part of engineering educators in this country to put engineering on a really professional basis.

FOR BETTER ENGINEERS—

Q What would you do to put engineering education on what you call a professional basis?

A A suggestive start is the combined liberal arts-engineering education program, the so-called "three-two" plan in which 34 engineering colleges in 16 States and 135 liberal-arts colleges in 36 States are already participating. Under this "three-two" plan, a student gets three years in a liberal-arts college, then two years of engineering. We would encourage graduation from the liberal-arts college, in place of the three years, and, in either case, would specify a stiff list of prerequisites in order to make sure that a very broad base in mathematics and science had been achieved. Completion of three years of liberal arts, including these prerequisites, would be required of all students accepted for engineering.

Then on top of this we would put three years of engineering training worthy of this preparation. The last three years would, of course, include advanced courses in mathematics and basic science.

Without something along those lines we will never produce really professional engineers. Graduate work on top of the current engineering training lacks the necessary foundation and often degenerates into a mere extension of inadequate undergraduate training.

Q Do you feel that our training of physicists is adequate today?

A Our primary concern should be to increase the number of capable students who choose physics as a career. Dael Wolfle has noted that, of 10,000 boys and girls bright enough to become physicists, 5,000 finish high school. Of these, only 50 major in physics and 450 in the other natural sciences. Of the 50 who major in physics, only 15 go on to advanced work in physics and become physicists. This is insufficient to meet the needs of the country.

Q How much time do we have to make these educational reforms if we are going to keep ahead of the Russians?

A That's hard to say. The Russians have already outpaced us in the training of engineers. They are rapidly catching up in the physical sciences. Although there will be a large expansion in college enrollments within the next decade, we can never expect to beat the Russians at the numbers game. As a result, we must do all we can to make certain that our young people get the finest training possible. We must be prepared to compete on the basis of quality alone.

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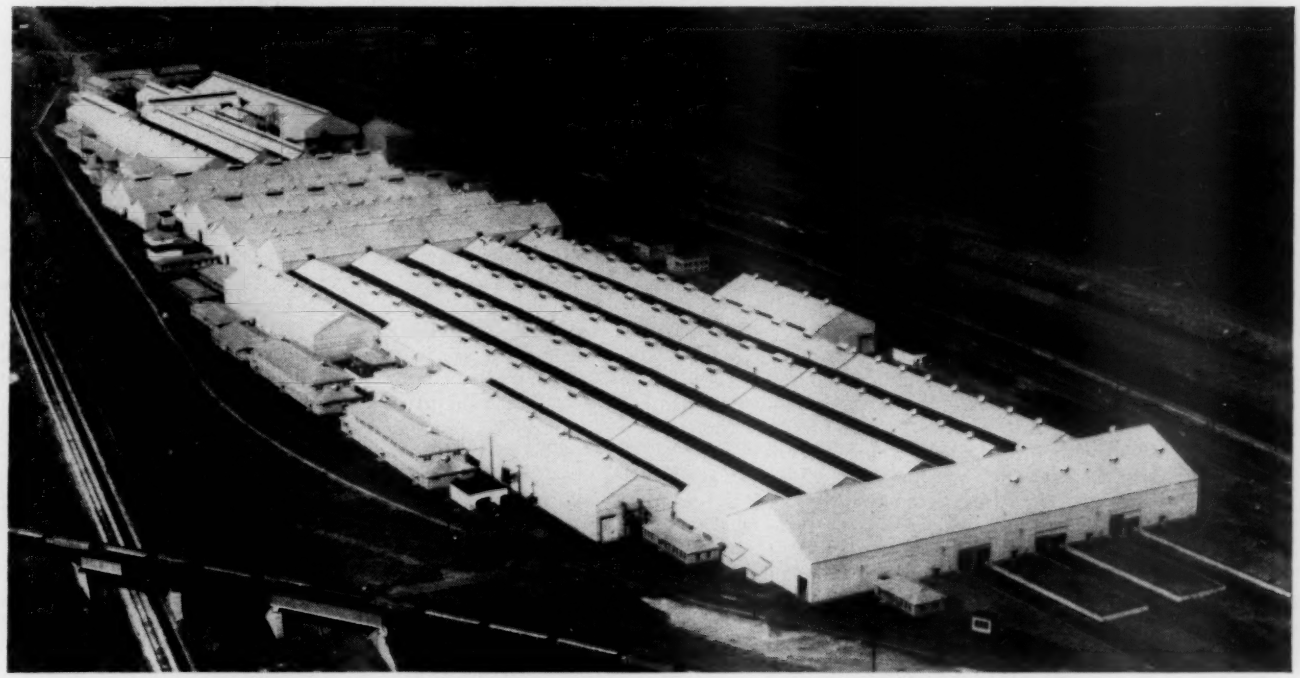

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"Risks" in Government

"SECURITY" CASES BRING NEW CHARGE OF POLITICS

Once again the issue of Communists in the Government is making headlines.

A Senate committee is investigating the Eisenhower Administration's handling of security risks.

Republican officials are accused of having run a "numbers racket," designed to discredit the Truman Administration, in discussing security firings.

What the Republicans reply to this charge, how the flare-up on this issue took place, is told here in official testimony.

Following are extracts from the transcript of a hearing held in Washington, D.C., Sept. 26, 1955, by the Subcommittee on Government Employes' Security Program of the Senate Committee on the Post Office and Civil Service:

Mr. Young [Philip Young, Chairman of the Civil Service Commission]: During the course of the last Administration it had become apparent that the old loyalty program was not adequate to deal with the problem of employe security. The need for permanent legislation was recognized by the Department of Defense in 1950 and enacted into law in the second session of the 81st Congress.

Extensive hearings were held in both the Senate and the House, where it was pointed out again and again that the "loyalty test" was unsatisfactory and limited in its nature. It was further pointed out in those hearings that alcoholics, people with unsatisfactory associations, persons subject to blackmail, and those who were simply overly loquacious could constitute a serious danger to the security of the United States, but could not necessarily be proved disloyal. On the other hand, it was pointed out that those who are disloyal are, of course, security risks. This law—Public Law 733—requested by the last Administration and passed by the 81st Congress, provides the basis for executive order 10450, which established the present security program.

Since the effective date of executive order 10450, May 28, 1953, roughly 2.3 million federal employes have been measured against the criteria of the security program. In comparison with that very large number, a very small number have failed to meet the test. Only 3,614 employes in the entire federal service have been terminated because of security questions. There were 5,696 employes who resigned where their files were known to contain unfavorable information under the security criteria.

[On September 29, Mr. Young corrected his figures to 3,586 security terminations, 5,684 resignations.]

Gentlemen, even if we look at the total terminations and resignations in the federal service, we find that a relatively small part of it is related to the security program. During the period I mentioned—from May, 1953, to June, 1955—there were 37,450 persons discharged from the federal service for all causes and only 3,614, or about 10 per cent of the 37,450 discharges, were related in any way to the security program.

Similarly, resignations where files contained security information amounted to only 5,696, or about 1 per cent of the total of 495,724 resignations from the federal service during this period of 25 months. Incidentally, with respect to those resignations, this is a substantially lower rate of resignations than in the preceding years and is lower than the rate in private industry.

I am proud, and the American people should be proud, of the security record of their 2.3 million public servants.

* * *

Today, the Federal Employe Security Program is operating on a current basis. As of this last June 30th, only 25,933 cases which required a security determination were still pending, as compared with the current hiring rate of approximately 27,000 persons a month. . . .

—USN&WR Photo

CHAIRMAN YOUNG OF CIVIL SERVICE

* * *

Mr. Hadlick [Paul E. Hadlick, of the Subcommittee's legal staff]: Now, Mr. Commissioner Moore [George M. Moore, member of the Civil Service Commission], in 1954, June 12, stated at Atlantic City, ". . . More information has been given the American people concerning the number, nature and causes of security removals during this Administration than has ever been released at any other time in the history of our country."

Now, in view of your previous remark about the number, are you and the members of the Civil Service Commission the authors of the numbers racket?

Mr. Young: We are the authors of the numbers bracket?

Mr. Hadlick: Racket in politics?

Mr. Young: Well, I am not sure that I understand what you mean. If I do,

(Continued on page 124)

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Civil Service reported "1,456 Government employes have been separated for security reasons" . . .

then I do not think I agree with that kind of a statement. You mean the original statistics on the performance of this security program, as I recall it, were requested by the National Security Council. That was just an initialed request; no provision was made for a continuing report of the statistics.

Mr. Hadlick: Well—

Mr. Young: They were put on a continuing-reporting basis because of the interest of Congress.

As far as I know, Commissioner Moore was referring to the fact that, under the old loyalty program, there had not been a great deal of publicity given to the numbers of cases.

Mr. Hadlick: Well, he says—

Mr. Young: I wasn't here.

Mr. Hadlick: He says the number, nature and causes. We will agree as to the number, but how about the nature and the causes? Has such information been given?

Mr. Young: With respect to security cases—what was the date of that—1954?

Mr. Hadlick: June 12, 1954.

Mr. Young: Well, certainly, if you interpret the whole range of criteria and standards set up in executive order 10450, those account for the nature, I would think, and the causes.

° ° °

The Earliest "Numbers"

Mr. Hadlick: There was a release from the White House on Oct. 23, 1953, giving the first numbers. Do you recall any use of the numbers prior to that time—the numbers of security risks let out of Government?

Mr. Young: Well, I don't think any had been compiled prior to that time.

Mr. Hadlick: All right. This reads—

Mr. Young: Not by us, anyway.

Mr. Hadlick: This reads in part: "During the first four months' operation of the Employes' Security Program, established by executive order 10450 which became effective last May 27, 1,456 Government employes have been separated from federal service. This figure of separated employes was submitted yesterday to the National Security Council and today to the Cabinet by Philip Young, Chairman of the Civil Service Commission, pursuant to section 14 of the executive order. These separations were for security reasons only."

They have nothing to do with continuing reductions in force from the federal payroll.

Now, you gave that figure to the Security Council and to the Cabinet?

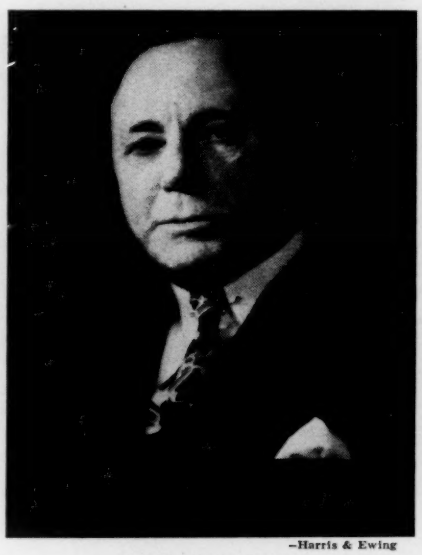
Mr. Young: That is right; it was wrong, it turned out to be 1,899, actually.

° ° °

Mr. Hadlick: Let me read further, from a piece in the Washington *Star* of Feb. 7, 1954:

"The White House said 863 workers had been dismissed and 593 had resigned. Of this total, White House Press Secretary James C. Hagerty added, five were Eisenhower-regime appointees and the rest—1,451—were holdovers from the Roosevelt-Truman days.

"But the announcement was nebulous enough to make newsmen curious. An early striker of pay dirt was the *Star*, which more than a month ago revealed



—Harris & Ewing

SENATOR NEELY

glaring discrepancies between the Civil Service Commission's compilation of 1,456 separations and the facts as they could be ascertained. For instance, it was learned that CSC counted 192 separations as the Navy's share of the 1,456, whereas Navy personnel officials thought the proper figure should be 20—eight discharges, 12 suspensions.

"It became evident, too, that not all 1,456 were discharged or quit under fire. Some were transferred to other Government jobs. Some left Government without knowing, or at least without being informed, about any derogatory information. A few died. Some were reduced in force without reference to security considerations.

"Some, certainly, were removed for cause—and some of these probably left for loyalty reasons. Senator McCarthy

. . . "The 1,456 was wrong; it was too low"

[Senator Joseph R. McCarthy (Rep.), of Wisconsin] said over half were loyalty cases. Republican Representative St. George [Katharine St. George (Rep.), of New York] fixed the figure at 10 per cent. But as of this week end, the difficulty was that no one outside of the Government knew exactly how many had left for what reasons—and the Government was not telling."

Now, isn't that the situation that exists today? Yet?

"Actual Figure—1,899"

Mr. Young: There wasn't anything about it. I was trying to explain that actually the 1,456 was wrong, it was too low; on a complete postaudit and reexamination of all individual cases during that early period—that is, subsequent date—the actual figure, excluding all these things which our friends in the Washington *Star* refer to, the actual figure was 1,899.

° ° °

Mr. Hadlick: The article goes on: "These were the meager facts. The build-up came between November 6 and January 21.

"As the build-up got under way, it took two separate forms. But while"—

Mr. Young: What year are we talking about?

Mr. Hadlick: I am talking about an article in the *Star* of Feb. 7, 1954.

"—but while these forms were separate, they tended to get the idea across to the public that the Administration had vigilantly cleaned a large number of Reds out of Government.

"Some of the statements, obviously, were unfortunate or careless uses of words. Others were outright distortions of fact. Samples:

"Attorney General Herbert Brownell, at Chicago, November 6,"—that would have been Nov. 6, 1953—" 'One thousand, four hundred and fifty-six persons have been ejected from Government Service because they were found to be security risks . . . We are going to have no more Communist infiltration in the Government and we steadily are getting rid of those who are security risks.' "

Then in parentheses the author says: "The White House announcement said 863, not 1,456, had been ejected, i.e., 'dismissed.' The rest 'resigned,' in the words of the announcement. Mr. Brownell's was the first linking of the 1,456 and the notion of 'Communist infiltration' in the same train of thought."

Quoting from the article again:

"Special White House Counsel Ber-

(Continued on page 126)

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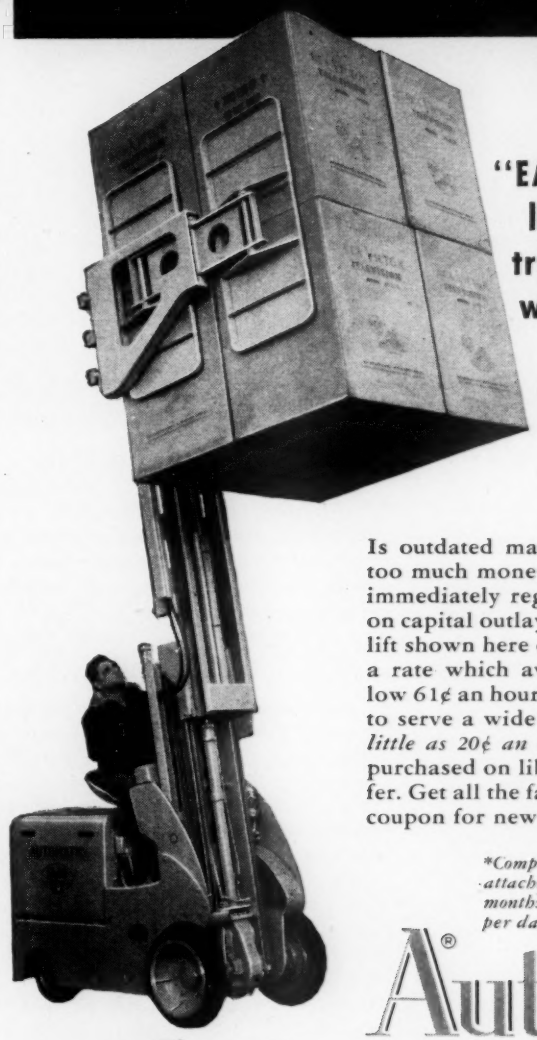

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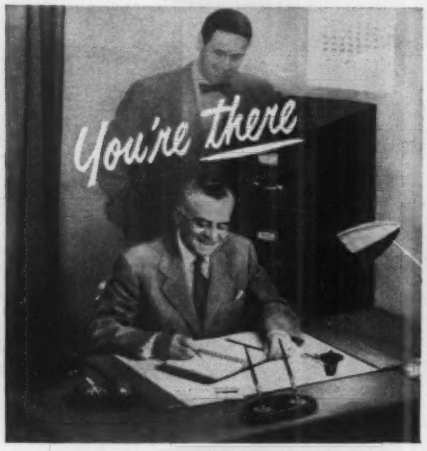

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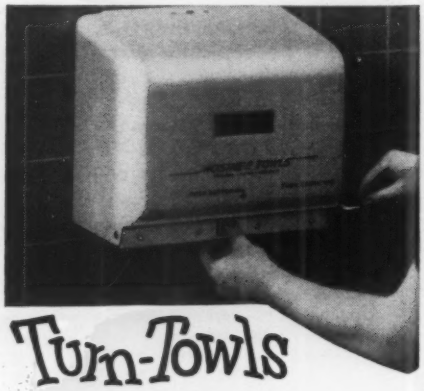

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Young: "I would not know whether the Department of Justice took any action in any case" . . .

nard M. Shanley, at Newark, N. J., November 6: 'Fourteen hundred fifty-six subversives have been kicked out of Government jobs since the President assumed office.'"

Then the authors—

Mr. Young: Does he also quote Mr. Shanley's retraction of that statement a day or two later?

Mr. Hadlick: No, I do not have that. I didn't keep that good a file.

But parentheses below that: "(This was the first direct use of the figure 1,456 with the word 'subversive' in the same sentence. 'Kicked out' was a misapplication of the word, since not all had been fired or quit under pressure.)

"Senator McCarthy, in a radio-TV program November 24: 'The new Administration has now gotten rid of 1,456, all of whom were security risks and practically all of whom were removed because of Communist connections and activities or perversion.'"

Meaning of Transfers

Then the author has in parentheses: "(With some transfers included in the 1,456 total, the words 'gotten rid of' were inaccurate. There has never been any official statement, or reliable unofficial indication, that 'practically all' or 90 per cent, as the Senator said later in the same program, were Reds or perverts.)"

° ° °

"President Eisenhower at a press conference December 2 (direct quotation authorized): 'I repeat my previously expressed conviction that fear of Communists actively undermining our Government will not be an issue in the 1954 elections. Long before then, this Administration will have made such progress in rooting them out under the security program developed by Attorney General Brownell that this can no longer be considered a serious menace. As you already know, about 1,500 persons who were security risks already have been removed.'"

Then the author in parentheses: "(This passage seemed to link the idea of Communism with 'about 1,500 persons.' 'Removed,' as has been shown, was not strictly accurate as a description of what happened, since some remained on the payroll and some quit without knowing they were under inquiry.)

"Governor Thomas E. Dewey of New York, at Hartford, Conn., December 16: 'The Democrats are also afraid that the American people will discover what a nice feeling it is to have Government which is not infested with spies and traitors. In less than 11 months the Department of Justice has discovered and dismissed 1,456 security risks planted in the Government of the United States under Democratic Administrations.'"

° ° °

Senator Neely [Senator Matthew M. Neely (Dem.), of West Virginia, a member of the Subcommittee]: Isn't it a fact that not one of these 1,456 ever has been prosecuted and convicted?

Mr. Young: I certainly wouldn't say that was a fact because I have actually no way of knowing, Senator.

Senator Neely: Well, you don't know of anyone that has been, and if there had been any and the rest of the Republican appointees who have been using these terms so extravagantly, and I think so unjustly, including the President, and particularly Mr. Dewey, who in effect was calling on the country to rejoice that the Democrats were not now in to let the Communists continue to run the Government.

Now, there is not one of these 1,456 that you or any other witness that has testified so far can say has ever been found guilty in any court of law or convicted of any sort of a communistic or treasonable offense against the Government—isn't that a fact?

Mr. Young: Senator, I resent your remark about the President as being in bad taste.

As far as these numbers are concerned, as to what people are behind the numbers, they don't go around with a number on them; we don't know if he's number 1,451 or what he is, and I would not know whether the Department of Justice took any action in any case that was referred to them.

The only thing I do know that I didn't know, I guess, when we discussed this subject last, is that the figure should be 1,899 and not 1,456.

Big News in Convictions

Senator Johnston: [Senator Olin D. Johnston (Dem.), of South Carolina, chairman of the Subcommittee]: Don't you think it would be great news to you if they would have a man up and convict him of that crime—you would be tooting and hollering about it everywhere, isn't that true? You would know it overnight.

Mr. Young: I would doubt if I would know it at all.

Senator Johnston: Then, you mean you could be right here in Washington and they would convict a man of being a traitor to his country and drawing pay from the Government—that is a criminal

. . . "The drunk is just as much a security risk as a Red"

act—and you wouldn't know anything about it?

Mr. Young: Oh, I'd know that, but I wouldn't know what number he was.

* * *

Senator Neely: How many of the 37,000, Mr. Young, did you say were discharged for security reasons, or did you state that proportionately?

Mr. Young: Sir, it is this small piece of 3,614, or 9.7 per cent of the total firings for cause. Here we are talking about actual firings for cause; it has nothing to do with resignations, transfers, deaths, retirements or anything else.

"Not Necessarily Communists"

Senator Neely: Down at the bottom, 3,614 were actually found to have some communistic or subversive tinge?

Mr. Young: They were terminated because there were serious security questions concerning them, which did not necessarily mean they were Communists, to be perfectly clear and fair about that. They did not measure up to the criteria of section 8A of executive order 10450, to the extent that it was sufficient cause for termination of their services.

Senator Johnston: Isn't it true that 3,614 included drunks, sex perverts, also people that are associated maybe with an aunt or uncle or grandfather or brother or somebody that might have been some little shade of Communism, too. Isn't that true? Isn't that true?

Mr. Young: It is true when the individual is taken in relationship to his job.

Senator Johnston: That is what I am speaking about.

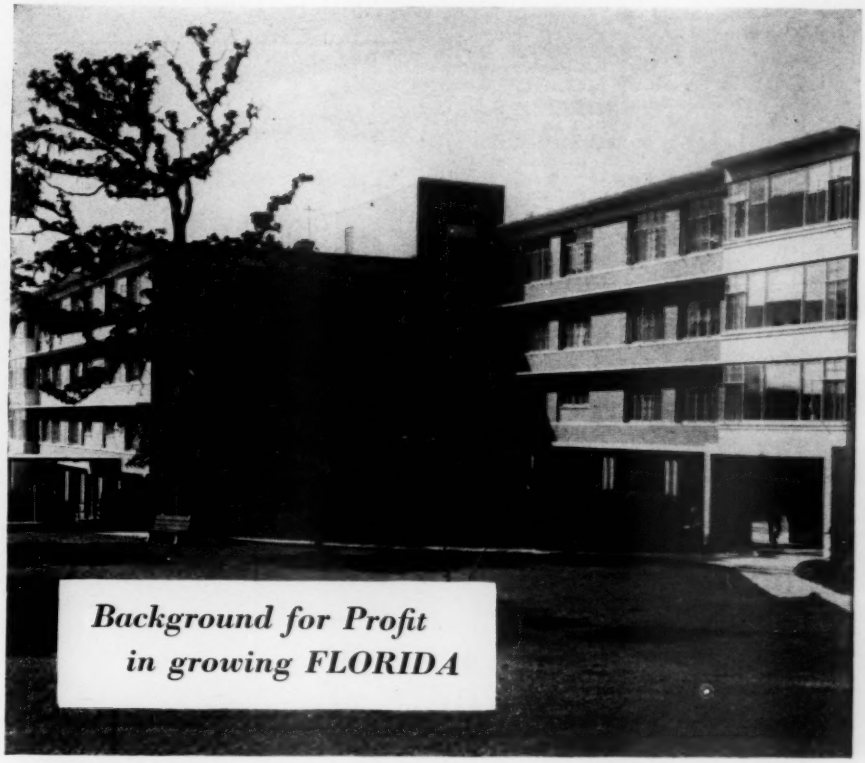
Mr. Young: The drunk in a sensitive position, of course, we all agree, is just as much a security risk as a Communist.

Senator Neely: Have you any idea of what number of those did actually have Communist tinge? Now, excluding all these things like drunkenness and perversion, and so on, how many were actually guilty of communistic tinge, so far as you know?

Mr. Young: Well, this breakdown which I attached to my statement here, Senator, shows that of the total of 9,310 that there were, in column 3 of that table, 2,355 where there was definitely subversive information of one kind or another.

Senator Neely: Now, Mr. Young, can you tell the Committee whether any one of those two thousand-odd has ever been tried in any court and convicted of the charge or suspicion on which they were

(Continued on page 128)



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Neely: 3,000 fired "very largely because they didn't vote the Republican ticket" . . .

fired? Just one is all I want, and if so in what court and what was his name?

Mr. Young: No, I can't give you any individual case, because they would certainly be fired first and tried afterwards, I would presume.

° ° °

Senator Neely: You personally do not know of any one of these ever having been prosecuted in any court of law?

° ° °

Mr. Young: I would say that the Petersen case, Senator, was one where it was included in those figures who was prosecuted in the courts and convicted. [Joseph S. Petersen, Jr., an employe of the National Security Agency near Washington, last January was sentenced to seven years in prison for misuse of secret documents.]

° ° °

Senator Neely: So, Petersen was one of the two thousand-odd that you have mentioned that you do name. I say you do name him as one?

Mr. Young: I name that as one so far as I know. As I pointed out, it is not my responsibility and not my business.

"One Conviction"

Senator Neely: Now, we are making some progress. Can you name another one?

Mr. Young: That is the only one I think of.

Senator Neely: If they only found one after 20 years of Democratic Government that the Eisenhower Administration could convict, even if that is the only one—and, according to what the staff attorney said, apparently he wasn't convicted under this security program—but, admitting for the sake of the argument that was one Communist that was convicted, don't you think that was a pretty poor one in running down Communists that the Eisenhower Administration has made after nearly three years?

Mr. Young: Well, I think that the American people should be faced with the fact there are something over 3,000 people have been fired off the public payroll in the last two years because they did not measure up to the criteria and the standards of executive order 10450.

Senator Neely: And very largely because they didn't vote the Republican ticket.

Mr. Young: I guess that is your opinion, Senator.

Senator Carlson [Senator Frank Carlson (Rep.), of Kansas, a member of the Subcommittee]: I wonder, Mr. Chairman, if there isn't a fact that there is a different standard for conviction as there is for employment in the federal service, also.

Mr. Young: The conviction has no bearing, I think, on this question of whether he is a suitable federal employe from your point of view and mine, because we both want suitable—

Senator Neely: Mr. Chairman, I want to concur in this spirit of what my distinguished and very dearly beloved colleague has suggested in that question. The only reason I am emphasizing that is the fact I sat in the House of Representatives and I heard the President's reference to these 2,200 that have been removed under this security program.

I don't know what his intention was, and I am not going to try to interpret it, but I know what the people who heard it thought and talked about over the country. That was what the President meant—that there had been 2,200 Communists weeded out in this short period under his Administration that the Democrats had knowingly put in office and kept there. I don't know whether that was the intention, but that is the political effect of it, and I am going to, wherever I have a chance, to clear that up, because I know there is no foundation for it and most of the people know it now.

° ° °

The Subcommittee's hearing resumed next day, Sept. 27, 1955. Following are extracts from the testimony of William F. Tompkins, Assistant Attorney General and head of the internal-security division in the Justice Department:

Senator Carlson: Did you handle the Petersen case—Department of Justice?

Mr. Tompkins: My division handled the Petersen case and, sir, I would like to correct the record on that because I saw something in the paper on that. The Petersen case did arise as a direct result of [executive order] 10450.

How Petersen Case Grew

Senator Carlson: I wanted that in the record because that was the impression I had and I so made the statement.

Mr. Tompkins: And to pursue that further, it arose as a result of 10450 and the subsequent investigation developed the espionage case.

Mr. Edens [Henry H. Edens, of the Subcommittee's legal staff]: That didn't involve Communist activity, did it? The fellow stole some records and turned them over, I believe, someplace.

Mr. Tompkins: No, you are correct. It didn't involve Communist activity, but I wouldn't pass over what he stole

. . . Carlson: "Program has been effective"

so lightly, sir. They were rather important records.

Following are extracts from a statement inserted in the record on Sept. 28, 1955, by Senator Carlson, only Republican member of the Subcommittee:

I think that all will agree that this nation and its Government are confronted with an international conspiracy dedicated to our destruction and to the subversion of our democratic institutions. An illustration of what confronts us is found in the recent revelations concerning the activities of the British spies, Maclean and Burgess. In the face of this situation, no prudent observer will doubt that a strong and effective security program is necessary.

I have been impressed by the testimony of high officials of the executive branch, who in full co-operation with the Subcommittee have explained the operations of our security program. For example, the testimony of Mr. Young showed that the program is now current; that approximately 2.3 million federal employes have been measured against the security criteria. Of this number, 3,614 employes have been terminated because of security questions.

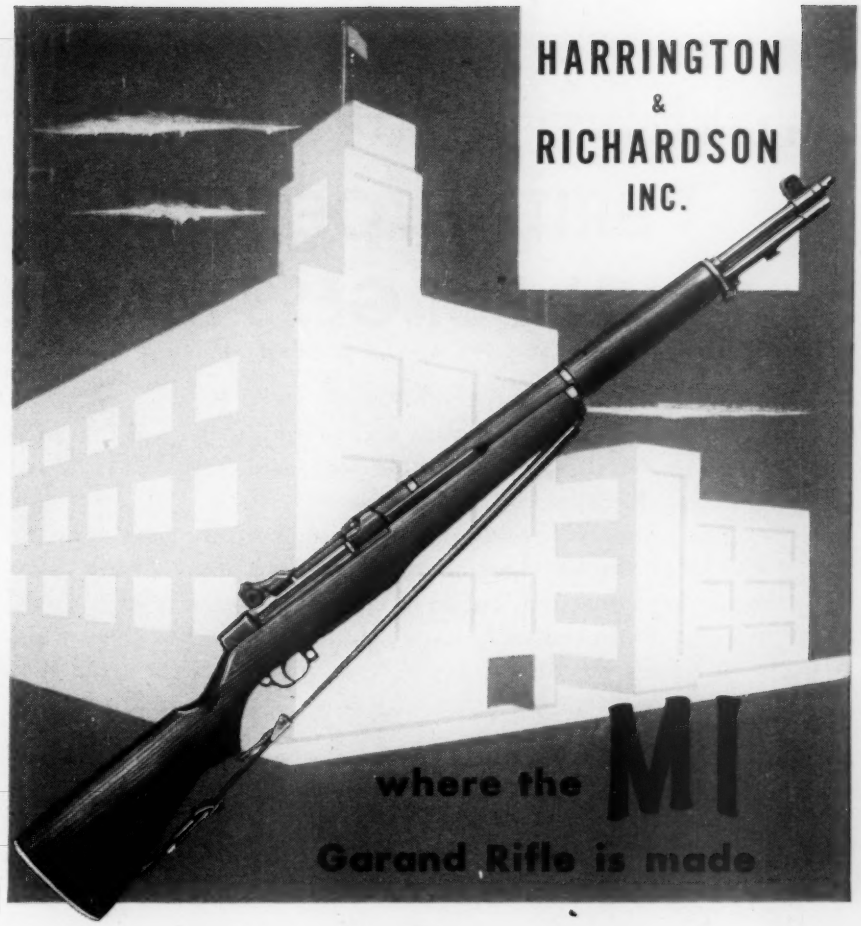
° ° °

"Mistakes Sometimes Occur"

We have heard testimony indicating in a few cases, out of the thousands which have arisen under E. O. (executive order) 10450, mistakes may have been made. . . . I do not believe that a program involving thousands, even millions of cases, should be condemned because of the handful of cases that have been brought before this Subcommittee. Absolute perfection can never be attained in so complex a field as this, which has to do with the evaluation of activities of human beings. Mistakes sometimes occur in our judicial process—but no one would suggest that we abandon our judicial system.

I am convinced that the present security program has been effective; that it has been improved and will continue to be improved. I am further convinced that it provides the protection of our national security which we so vitally need and, at the same time, assures to the greatest degree possible the protection of the rights of the individual under the Constitution.

For testimony before the Subcommittee on whether the U. S. security system would have caught British spies Burgess and Maclean, see page 130.



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In London—

BRITISH OFFICIALS CRITICIZED IN BURGESS-MACLEAN CASE

A leading British newspaper, speaking its mind on the case of Donald Maclean and Guy Burgess, finds plenty to criticize.

***The Times* of London assails lax security checks on the two master spies and finds discrepancies and evasions in the British Government's White Paper.**

It credits the disclosures of Vladimir Petrov—published first in this country by *U. S. News & World Report*—with forcing the Foreign Office to issue the White Paper.

But suppose the Red agents had been American Government employes. Would they have escaped with this nation's secrets? A U. S. Justice Department official believes that they would have been trapped.

On these pages, you get important views from both sides of the Atlantic.

Following is full text of an editorial from "The Times" of London, Sept. 24, 1955, commenting on the White Paper issued by the British Government on the spying activities of Donald Maclean and Guy Burgess:

"Two points call for comment," says the White Paper on Maclean and Burgess. That is typical of its primness and defensiveness. There are not two but a dozen points that call for comment, and the White Paper throws little new light upon them.

Appearing as it does, scandalously late, four and a quarter years after the two men fled the country, the White Paper might have been expected to give many details hitherto unknown. It does, indeed, mention that Burgess had, just before his flight, been specifically asked to resign from the Foreign Office because of reckless and careless conduct while posted in the United States. It also discloses that on May 25, 1951, the very day of the two men's disappearance, the Foreign Secretary at that time (Mr. Morrison) agreed that Maclean should be questioned by the security authorities because of suspicions that he had previously passed Foreign Office information over to the Soviet authorities.

For some unaccountable reason these facts were not made known until now. For the rest, the Paper does little more than confirm a good part of the information already known through the Press, and especially through the disclosures by Mr. Petrov [Vladimir Petrov, Soviet espionage agent who defected] in Australia. There is very little doubt that, but for the knowledge that Mr. Petrov was going to make his evidence public, the Foreign Office and the security authorities would not have decided to publish a White Paper at all even now.

Throughout the past four and a quarter years the pattern has been almost invariably the same. A Press report has been followed by a reluctant and often tendentious admission in the House or at the Foreign Office. Official statements were made which are now seen to have been misleading.

No doubt the spokesmen themselves were put up without the proper information which is usual on foreign affairs. Even so, it is hard to square the suggestion a year ago that Petrov's evidence was simply based on hearsay, and was "to be treated with some reserve," with the White Paper's admission that Petrov has "provided confirmation" of parts of the story. An even stronger discrepancy exists between the White Paper's evidence that Maclean was being watched on suspicion of passing information and Lord Reading's statement to the [House of] Lords on October 28, 1952. "Mr. Maclean," said Lord Reading, "performed his official duties satisfactorily up to the date of his disappearance."

The White Paper defends what it coyly calls the "reticence of Ministerial replies" on the grounds that it is not desirable at any moment to let the other side know how much has been discovered or guess at the means used to discover it. An excellent principle, but how does it apply in this case? The Foreign Office needed no elaborate means to "discover" that it had asked Burgess to resign or that it was closely watching Maclean; and the Russians already knew—otherwise they would not have helped the two men to escape. The net result of "reticence" was the opposite of that intended. Instead of becoming bored with the affair, the public scented a mystery and wondered uneasily how much was being hidden.

The White Paper does little to remove doubts about the security authorities' handling of the matter. It says that, once suspicions fastened on Maclean, they took a calculated risk that he became aware of their watch and made tracks for abroad. Events showed that they calculated wrongly; he did escape. But it is more extraordinary to read that, although gravely suspecting him, they decided not to keep a watch on his home in Kent.

More extraordinary still, on the very day that authority was given to question him, he was allowed to go from London (where he was watched) on leave to Kent (where he was not watched). And, according to the White Paper, his

ASSISTANT ATTORNEY GENERAL SAYS:

U.S. Security System Would Have Caught British Spies

Following are extracts from the testimony of William F. Tompkins, Assistant Attorney General handling the internal-security program, before the Senate Subcommittee on Government Employes' Security Program on Sept. 27, 1955:

Mr. Tompkins: . . . Now, just remember this, when you are talking about prosecutions and trying to bring prosecutions into the scope of employe security, I think you are confusing the issue.

If you will recall, Maclean and Burgess in the British White Paper could not be prosecuted. There was no violation of law that they could be prosecuted. Yet, as you and I know, they certainly stole the British Government blind. So that in every loyalty case, we can't prosecute but there are instances where there is perjury or false statements and I tell you, I think there is probably roughly about 10 or 15 cases of that type.

However, just remember this in prosecutions also, you have a question of whether you want to disclose informants; you have a question of possibly where the statute of limitations has run on some of these cases and you have a question of evidence that sometimes is not admissible so that you just can't consider it, very frankly, in a vacuum.

Paul E. Hadlick [of the Subcommittee legal staff]: No security program would really catch a Burgess or Maclean or Benedict Arnold?

Mr. Tompkins: Well, Mr. Hadlick, let me say this—

Mr. Hadlick: You can't try a man for his thoughts.

Mr. Tompkins (continuing): as to Burgess and Maclean, in both instances, there was prior derogatory information, isn't that correct?

Mr. Hadlick: I believe you are right but nothing was done about it.

Mr. Tompkins: Nothing was done in Great Britain, but if you are relating Burgess and Maclean and derogatory information I say I believe that, under our program, that would have been gotten.

Mr. Hadlick: Did we ask them to remove the gentlemen from this country as part of this—

Mr. Tompkins: I honestly don't know that, that would be a State Department question.

° ° °

Senator Carlson [Senator Frank Carlson (Rep.), of Kansas, a member of the Subcommittee]: Mr. Chairman, just this point—did I understand you to state that under executive order 10450 you have located some individuals that might be regarded as security risks?

Mr. Tompkins: Oh, yes, sir.

Senator Carlson: And some have been convicted?

Mr. Tompkins: There have been some convictions.

Senator Carlson: I believe you said 10 or 15?

Mr. Tompkins: I think I have a note here on that.

Senator Carlson: I don't care for an accurate statement. The statement has been made around here that there have been no convictions and I think the record should be clarified on that.

Mr. Tompkins: Well, Senator, that is what I already tried to explain. You can't consider prosecutions and the security program as one big bundle and that is where I gave the Maclean and Burgess example. You might have a man who is unfit for Government service and you might have a man who is a member of 9 or 10 Communist fronts but he can't be prosecuted, but you have got to get him out of the Government, sir.

flight that same evening, May 25, "did not become known to the authorities until the morning of Monday, May 28." They had cut themselves off from all means of knowing.

Another point, less serious but no less bewildering, is that the White Paper says that the two men left the country "when the security authorities were on their track." Was Burgess, then, also being watched? There is nothing else in the White Paper to suggest it. The evidence produced is simply that he had been asked to resign after the Ambassador in Washington had reported on his personal behaviour. The authorities cannot have it both ways. If there was suspicion of espionage in his case the evidence should be in the White Paper. If the authorities had no such suspicions, they evidently had been caught napping.

The mystery is deepened by the Foreign Office statement last weekend that it was now believed that both men were "long-term agents" for the Soviet Union. Petrov has said so, and his testimony is accepted, but on British evidence the part of Burgess has not been brought to light.

Equally unsatisfactory is the way in which the White Paper deals with the manner in which the two men were kept for so long in the Foreign Service. All questions of spying apart, their personal behaviour at times should have raised far stronger and earlier questionings about their suitability for responsible work. Stories of their drinking bouts were common talk in London. Were they the men to be trusted with State secrets? Did the authorities go on to ask what was the root cause of the evident strains which the men were under?

It is good to be reminded in the White Paper that, since the disappearance of the two men, security in the Foreign Service has been tightened and that more searching inquiries are now made into the characters and antecedents of candidates and members. The whole affair calls for full, honest scrutiny before the forum of Parliament; and there must be no disposition, as there has been on earlier occasions, to score party points. The record of the Foreign Service is second to none for steadfastness, hard work, and loyalty, but the House [of Commons] will have searching and important questions to ask.

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How Bankers Feel—Not Very Worried

Immediate reaction to Mr. Eisenhower's heart attack, bankers feel, is to be not too severe.

Banks will go on lending, investing—though perhaps a bit more cautiously. Money will be tighter, but most applicants will get loans.

If bankers are right, output, trade, building will go ahead on a high level.

CHICAGO

Bankers, disturbed over the President's heart attack, are going to proceed with caution in weeks ahead. But they are going to proceed. Loans will be approved, investments made.

This was the word passed here while thousands of bankers from all over the country met in convention last week just as news came of the President's illness. That news, and the sharp stock-market break that followed, left bankers a bit uncertain.

The big question in their minds right now—what they are waiting to see—is: What will happen to confidence of businessmen? While they wait, most bankers are going to be somewhat more wary about lending the funds in their care.

A top officer of one of New York City's biggest banks found some of his banker friends distressed, their confidence shaken. "But," he said, "we're not hit anything like as hard as the businessman who has been planning to spend 10 million dollars on a new plant. Will he go ahead now?"

What bankers hope—and almost all expect—is that businessmen and consumers will go right on with their spending plans. "There'll be a short reaction, some hesitancy, but that's about all," one Western banker summed it up for all.

Tighter credit? Few of the bankers look for any drastic change in the country's credit situation, in the ease and cost of borrowing. But most look for credit to tighten somewhat more.

"Sure, we'll tighten up some on credit," conceded a Midwestern banker, adding, "But we've been doing that for months. We probably would have continued to tighten, anyway. Money for lending has been getting scarcer and scarcer. The Federal Reserve System has been shrinking our lending reserves steadily. So credit was due to get tighter in any case—this new uncertainty will just make that more sure."

A banker from Birmingham, Ala., and one from Birmingham, Mich., talking it over together, predicted tightening credit

(Continued on page 134)

—Wide World

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Some bankers expect "wait and see" period . . .

for several months. Only two days earlier, before the President's heart attack, they had "half expected" really drastic action by Government officials to discourage lending. Now, with business confidence shaken a bit, they look for no sudden moves by the federal money managers.

What to expect, thought the two bankers from Birmingham, is a brief period of hesitancy and waiting, followed by a resumption of the Government's effort to shrink credit. In the meantime, bankers themselves will maintain their own squeeze on credit while they wait to see what happens.

"We'll be more cautious for a time," a New York banker said. "It'll take a little while to see what's going to happen. Meanwhile, we'll wait and see." He conceded that "if everybody sits around and waits to see what the next guy does, of course, there'll be trouble." But he doesn't expect that.

MONEY IN THE BANK
Big spending still was forecast

A top officer of a Federal Reserve Bank in the Midwest scoffed at any idea of bankers' drawing back in alarm. A Democrat—one of the few here—he said, "Don't worry about these bankers. They'll be unhappy about the political implications of the President's illness, but they will go on doing just what they have been doing. They have to lend and invest—keep their money busy—if they expect to earn any profits. And they expect to earn **profits."**

It will be several weeks before people's reactions to President Eisenhower's illness

. . . "No basic change in economy" foreseen

are clear, in the opinion of the president of one of the country's largest banks. Yet he does not see a big immediate switch in Government, or in the attitudes of businessmen, home buyers or consumers.

Stable situation. Main hope that bankers are clinging to is the conviction that, despite the sharp stock-market break, "there's been no basic change in the economy. It's as strong as ever."

The treasurer of one of the biggest corporations in America, here to talk with bankers, stressed the same idea. "The only change," he noted, "has been psychological. And even that reaction already is wearing itself out as the President continues to hold his own."

A Louisiana banker thought the immediate reaction of bankers and businessmen had been far stronger than called for by the President's illness. "I see no reason for it," this banker said. "People still are going to buy as many cars as ever, and buy homes and everything else they have been doing."

Some pessimism. Not all bankers were so optimistic. A top officer of a Chicago bank thought businessmen were "pretty upset." "Business is so largely psychological these days," he noted. "You can add up all the statistics, but they don't mean a thing after a major shift in attitude occurs. Rightly or wrongly, business sees the Republican Party as its friend. With Eisenhower ill, you can be sure businessmen are not going to be so confident now."

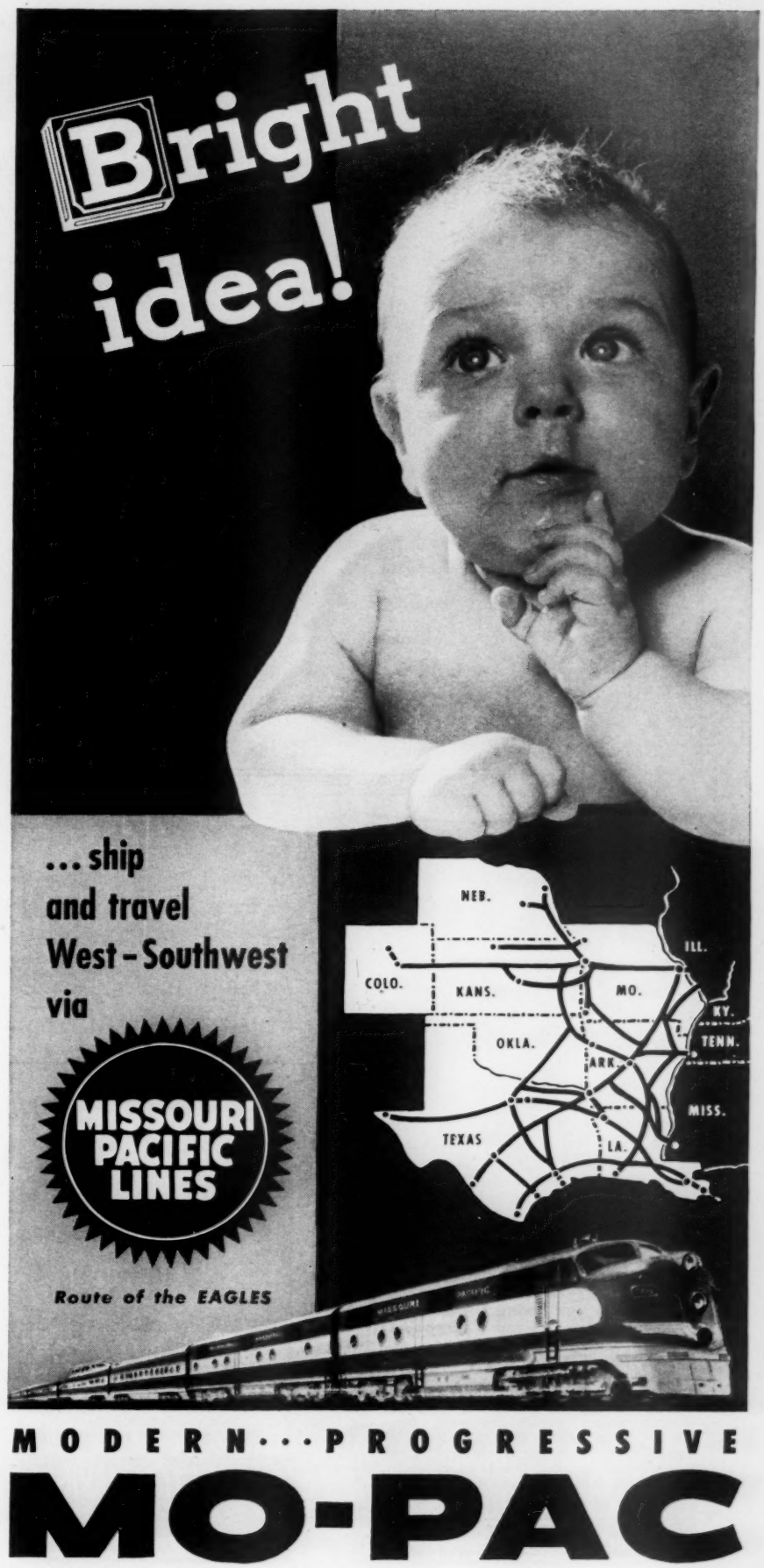
The sharp drop in the stock market on Monday, following announcement of the President's heart attack, was taken by this Chicago banker as the tip-off to people's reactions generally.

His was not the typical banker's attitude, however. The market break did shake the bankers profoundly, but briefly. When the market stabilized, so did the bankers.

As a South Bend banker put it: "For months the investing public has been waiting for an incident which might create a stock-market reaction. The incident occurred and the market reacted true to form."

Another Midwestern banker thought the whole thing would "blow over quickly." He said: "While we all regret President Eisenhower's illness, the temporary effect is only psychological and emotional. Our economy will remain strong for the foreseeable future. Population increase necessitates heavy public works, much expansion. A birth connotes everything from milk bottles to toll roads."

(Continued on page 136)



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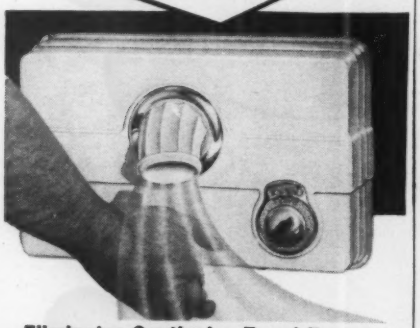

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Finance Week

. . . Predicted: "a certain amount of inflation"

The President of one of the 12 Federal Reserve Banks was a bit scornful about the whole thing. "What did people expect from news like that—cheering? The market reacted about as could be expected, and, now that it has, people shouldn't expect the economy to fall apart. It's as strong as ever."

Neither do bankers expect people to go on any big saving spree while they wait to see what happens. "We expect our customers to use their savings and checking deposits in the same way they have been," said a Kansas City banker.

Looking ahead. Even the election of a Democratic President—which many bankers here feared—will bring no big change in bank policies, according to finance officers who commented on the longer run.

"Both political parties are committed to efforts to promote a prosperous and growing economy," said the president of one of the country's biggest banks.

A Chicago banker put it differently: "Both parties are committed to a certain amount of inflation."

Few bankers would like a Democratic Administration, they made it clear, but they still would carry on their present policies.

The treasurer of one of the country's biggest life insurance corporations summed it up for all the financial institutions: "We've got a lot of money coming in. We have to do something with it."

› Stock purchases. A study by the New York Stock Exchange reveals that share buying and selling by institutions increased 59.7 per cent between two study days in 1952 and two in 1955. Trading by personal trust funds accounted for more than 17 per cent of all institutional volume in the latest study. Second was mutual-fund trading. Others, in order, were estates, pension funds, closed-end investment companies and investment clubs. Altogether, the institutions accounted for 15.6 per cent of total share volume. Broker-dealers, on their own, accounted for 25.2 per cent; all others, the remaining 59.2 per cent.

› Money matters. The Treasury's short-term borrowing costs, which stood at 1.981 per cent just a few days before the news of the President's heart attack, jumped back up to 2.122 after the news came. Yet investors apparently saw in that news no long-run prospects for big interest rises. Five days after the news, the Treasury's 40-year, 3 per cent bond, which had closed at 99 19/32 before the President's attack, was selling at 99 27/32.

(Advertisement)

Does money really grow on trees?

Certainly not for most folks — but for a couple of million people it seems to.

They are people who get their electricity from power plants owned by the federal government. They pay less for electric service than other people do, simply because you and everybody else pay part of their electric bills.

Here's how that happens. First, part of your taxes goes to pay for the government power plants that serve these people. Second, the electric bills these people pay do not include many of the taxes you pay in *your* electric bills. So *your* share of taxes has to be increased to pay *their* share.

Not exactly fair, is it?

Yet some people are trying to push the federal government into building and running *more* unnecessary power plants and power dams—to extend this "special privilege" still farther.

This kind of favoritism is unfair to everybody—especially to you who have to pay for it. That's why these little-known facts are brought to you by AMERICA'S ELECTRIC LIGHT AND POWER COMPANIES*.

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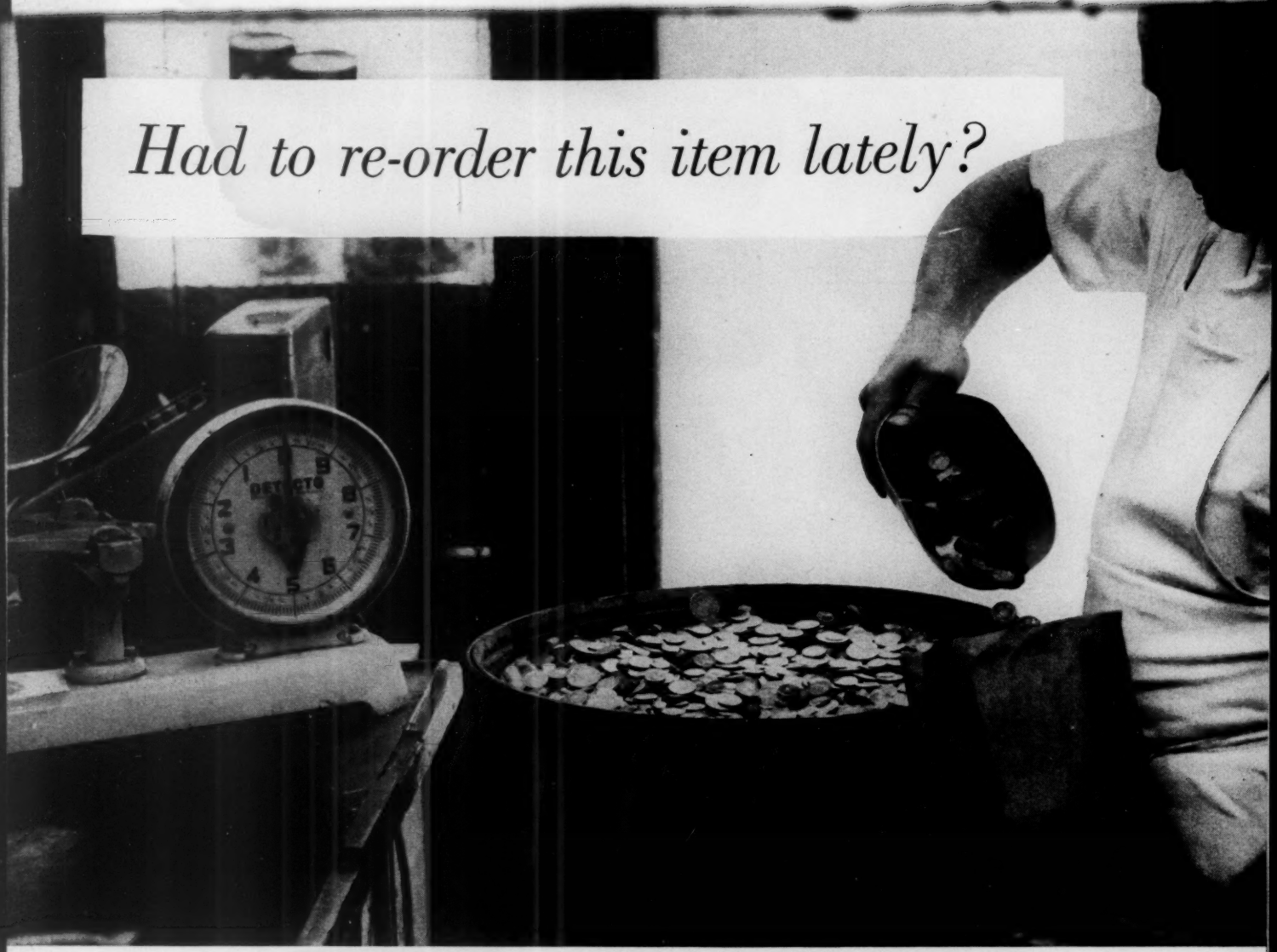
*Names on request from this magazine's advertising department



Working capital! Even the healthiest companies need an *occasional* transfusion of this life-blood of business, via bank loans or stock issues.

But when there's a *chronic* shortage, it usually means that corporate anemia has set in. Routine operations seem like mighty efforts. Opportunities slip by – for the patient has lost the power to act.

In many such cases, Keysort punched-card accounting works wonders.

For it often happens that the cause of chronic working-capital shortage lies right in a company's own inventory. Too much money is tied up in raw materials, in-process goods, unshipped products. Keysort factory control can show you *on time* when and where an unnecessary inventory bulge is developing. Thus you keep inventory lean, and use the money saved to nourish working capital.

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In appraising business shifts that may lie ahead, it's probably advisable to look at the starting point, the shape of business at the present time.

Boom is at record high levels. Total output--the gross product--is almost in the stratosphere, some 17 billions above a year ago.

Output of factories and mines enters the autumn season at record volume.

Individual incomes never have been so high, nor has spending been so big.

Private investment in fixed assets--dwellings, plant, equipment--is rolling along at top speed and in some fields will move higher.

Inventories are being built up, but not at an alarming rate. Commerce Department finds them lower in relation to sales than a year ago.

Unemployment, down to around 2.2 million, is very low.

Business, in brief, is exceedingly brisk. That was the situation when President Eisenhower's heart attack surprised and shocked the country.

Now look at what lies immediately ahead, in the next few months...

Retail merchants are counting on a record Christmas business.

Auto companies are tooling up for continued high production.

Steel mills don't see any slackening in demand until 1956 at earliest.

Boom, in other words, is not going to stub its toe in months just ahead.

It's not likely, however, that advances from this point are to be very large. Commerce notes that the rate of gain has been slowing recently. But that is not surprising. Many industries are approaching capacity.

Government also is stepping in to encourage a bit more expansion.

Fast write-offs for tax purposes are being reopened for some industries.

Freight-car buying gets this privilege if orders are placed before the end of this year. Goal is 420,000 new cars.

Airlines get the same treatment if they order commercial planes before December 31. The target here is orders for 900 planes.

Oil companies can get tax benefits if they complete expansion programs by Jan. 1, 1957. Goal is a capacity of 9 million barrels a day.

Similar tax inducements are offered for some research and development laboratories, manganese ore, mercury, chromite, a few other materials.

Altogether, the Office of Defense Mobilization reinstated 11 programs as eligible for tax benefits that recently had been closed.

You also can expect very few cuts in defense spending, if any. Defense Secretary Wilson says the target for the defense budget of 34 billions in this fiscal year, ending next June 30, can't be reached. Likely: 34.5 billions.

Federal budget will be affected by the latest defense estimates.

(over)

Written for the issue of October 7, 1955, Volume XXXIX—No. 15
U. S. NEWS & WORLD REPORT

Budget deficit of 1.7 billions was forecast by Treasury Secretary Humphrey last August, assuming Defense would be cut to the desired 34 billions.

Prospective deficit climbs to 2.2 billions with defense at 34.5 billion.

That could influence tax plans, make tax reductions harder to come by. Yet there's a possibility that revenue will be higher than estimated, a budget balance still near. Tax reduction next year remains a definite probability.

Government money controllers continue to keep credit rather tight.

Commercial banks that are members of the Federal Reserve System owed Reserve Banks an average of 888 million dollars for the week ended September 28.

Excess reserves of member banks were put at 535 millions.

Banking system as a whole thus was in debt to the central banks. That means banks are forced to borrow if they want money to loan to customers.

Federal Reserve Board did move to ease credit a bit by buying 23 million dollars worth of Government securities and taking 11 million more under what's called "repurchase agreement." By buying, the Board supplies reserves to banks. Purchases have not been made for several weeks.

But it's still clear that official policy is to dampen the boom a bit through making money more difficult to borrow, although so far there is little evidence of credit stringency and loans by banks still are expanding.

If you are interested in market guides, Commerce Department has a new set of income figures, State by State.

Biggest total income of individuals goes to New York, California, Illinois, Pennsylvania, Ohio, Michigan, Texas, New Jersey, in that order. Each of these States got more than 10 billions in 1954. That's 55 per cent of national total.

Retail market obviously is biggest in these States.

Income per person, however, comes up with a different picture.

Per capita incomes are highest in Nevada, Delaware, Connecticut, New Jersey, New York, California, Illinois, Michigan. A merchant might get more sales with less effort in these States.

Income growth is another element that deserves attention in sales plans.

People's income, in total, jumped 27 per cent in 1954 over 1950.

Better-than-average growth is shown by Nevada, 61 per cent; Arizona, 50 per cent; Florida, 46 per cent; California, 38 per cent; New Jersey, 35 per cent; Connecticut and Maryland, 34 per cent.

In national sales planning, these growth areas should not be overlooked.

Largest gains in per capita income, since 1950, are going to Oklahoma, Kentucky, Alabama, Maine and Nevada.

Income per person in all these States, except Nevada, is below average.

Per capita income in 1950 averaged $1,491 in the nation as a whole. The figure for 1954 came to $1,770. It is higher this year.

Income figures comparing 1953 and 1954 make farm States show up well.

Biggest gains among States from 1953 were Nevada, 9 per cent; Iowa, 8 per cent; Florida and Nebraska, 6 per cent; Kansas and New Hampshire, 4 per cent. Agriculture is a major enterprise in each of these States.

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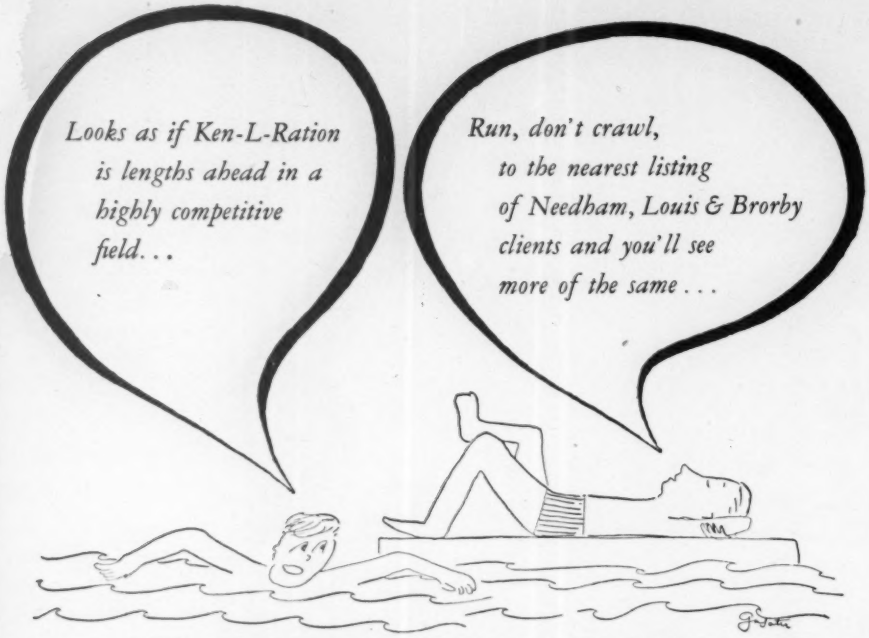
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Through special arrangements by the makers of famous *** Hennessy Cognac Brandy, you can now obtain these crystal, crest-engraved brandy snifters direct from France. Tap the rim with your fingernail and the clear ring reveals the exquisite perfection of this crystal glassware. A set of 4 glasses, shipped direct from Cognac, France, is yours for only $1. The coupon below is for your convenience.

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HENNESSY, Dept. 39K, P.O. Box 15A, Mt. Vernon, N. Y.
Here is my dollar for 4 Hennessy Brandy Snifters described in this offer. I will pay 15¢ U. S. Customs handling charge when my glasses arrive.

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NOTE: Sorry, this offer is limited to one set per person. Offer good in U. S. A. and possessions.

NEWS-LINES

WHAT YOU AS A BUSINESSMAN ☑ CAN and ☒ CANNOT DO

as a result of recent court and administrative decisions

☑ **YOU CAN,** as an operator of chain stores, disregard ***Social Security taxes*** for your delivery-truck drivers if they own their own vehicles, pay their own expenses and receive a flat rate for each delivery. The Internal Revenue Service rules that truck drivers who thus generally control their own operations are not subject to this employment tax.

* * *

☑ **YOU CAN** perhaps have a better chance than before of selling goods to the Government if you run a ***small business.*** For the first time, the General Services Administration is reserving some of its purchase orders exclusively for small business—firms having fewer than 500 employes.

* * *

☑ **YOU CAN** export some ***titanium*** products with fewer restrictions than heretofore. The Commerce Department drops quantitative limitations on exports of titanium sponge and scrap, certain mill shapes and powder.

* * *

☑ **YOU CAN** probably delay in paying the Government rent on ***machine tools*** and other production equipment that you lease for your plant in a Northeastern flood area. The Director of Defense Mobilization authorizes the Defense Department and the Commerce Department to wait until 90 days after delivery of equipment before collecting rent from these manufacturers.

* * *

☑ **YOU CAN** use a 1954 income tax return form to report ***self-employment income,*** for Social Security tax purposes, covering a fiscal year ending in 1955. The Internal Revenue Service issues instructions—Revenue Procedure 55-4—for adapting and using the 1954 self-employment income tax forms for this purpose.

* * *

☒ **YOU CANNOT** expect the National Labor Relations Board to set aside the results of a ***collective-bargaining election*** in your plant because a union circular, on the day of the balloting, makes a false statement about the fees of your firm's lawyer. This is no reason

to invalidate an election, according to the Labor Board.

* * *

☒ **YOU CANNOT** safely lay off employes who shut down their machines to protest collectively what they consider to be the arbitrary discharge of a fellow worker. The Labor Board finds that employes acted within their ***Taft-Hartley rights*** when they staged such a stoppage.

* * *

☒ **YOU CANNOT,** under guides just issued by the Federal Trade Commission for its staff in dealing with ***cigarette advertising,*** make health claims for your brand. The Commission also says that these ads must not contain false testimonials or false statements about products of other cigarette manufacturers.

* * *

☒ **YOU CANNOT** any longer get a Government permit for ***rapid tax amortization*** for expanded plant facilities to produce more basic steel or aluminum. The Office of Defense Mobilization announces an end of this Government-aid program for expanding production facilities for these metals.

* * *

☒ **YOU CANNOT** look for any early relaxation of present tight controls on export of ***nickel-bearing scrap.*** The Bureau of Foreign Commerce decides to continue during the fourth quarter of 1955 the same export policy for nickel scrap that it followed in the second and third quarters.

* * *

☒ **YOU CANNOT,** as a taxpayer who is engaged in a business and also works as an employe, fail to reduce your ***net operating loss*** by the amount of your salary. The Internal Revenue Service rules that this procedure must be followed since the salary represents income from a trade or business.

* * *

☒ **YOU CANNOT** count on getting a State court to stop a union from ***picketing*** your premises if the picketing is a violation of the Taft-Hartley Act. In ruling that it does not have injunction powers in such a case, a State court adds that "another question might arise" if NLRB should decline jurisdiction.

Conclusions expressed in these paragraphs are based upon decisions and rulings of courts and Government bureaus. In making their decisions, courts and bureaus consider many facts which, for reasons of space, cannot be set forth in detail. U. S. NEWS & WORLD REPORT, *on written request, will refer interested readers to sources of this basic material.*

ATLANTIC PAPERS

Paper — for office forms and letterheads — is of major importance with tobacco giants. Naturally, paper purchases are carefully examined — for appearance, type-ability and value.

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THE PRESIDENCY IS TOO BIG FOR ONE MAN

BY DAVID LAWRENCE

From an editorial, January 28, 1955:

The Presidency today is, of course, too big for any one man. We shall not overcome the defects in our present system until the Cabinet of ten or more persons gives all of its time to the Chief Executive. This should be his "staff." Each of the major departments could be managed by a deputy, but the Cabinet members themselves should have offices alongside the President and meet with him at least once a day.

From an editorial, February 29, 1952:

People generally think of the President as their ruler —and not always as the executive of a very large business that touches them vitally. Yet this business costs a lot of money nowadays to operate, and it keeps on cutting down the people's wages and salaries so as to collect enormous taxes.

People generally think that, when they have elected a President, they have delegated to him the job of administering the entire executive branch of the Government, and that he actually does that job.

But the truth is there are three different governments piled on one another in the executive establishment in Washington today. Each of the three is so big that the President cannot possibly administer them.

First, there's the Executive Office of the President, which now has a staff of more than 1,200 persons to coordinate the activities of the nine regular departments and of some 80 independent agencies. This might be called the "normal" government, but it includes a huge military mechanism expanded to unprecedented size.

Second, there's an eight-billion-dollar program of economic and military assistance for foreign governments.

Third, there's the Economic Mobilization program.

In these three major operations there are obligations and duties involving the expenditure next year of somewhere around 85 billions of dollars, with vast controls over the lives of the citizens.

No one man at the top can keep track of all this.

No one man can possibly know whether the policies recommended to him, and on which he is in effect asked to affix a rubber-stamp signature, are sound.

Take any one of the nine departments—as, for example, the Department of State to which is delegated foreign policy. Except for a few memoranda to and an occasional conference with the President, the Secretary of State runs foreign policy, makes the commitments, and in the end we may have to fight a war to carry them out. The Constitution says the President alone is responsible for the conduct of foreign policy, but he doesn't conduct it.

A President of the United States is today unavoidably a puppet. He is pulled this way and that by the subordinates he has appointed. For all practical purposes, some of these men exercise powers which the statutes authorize only the President to exercise, but which he actually doesn't. He can't. It's too much for one man.

The real ailment is the irresponsibility of our Government and particularly the irresponsibility of the office of President as operated not merely under the present but under past administrations.

What is needed is accountability.

The people now cannot hold one man responsible at the polls except every four years, and then the issues are complicated by so many considerations that accountability on no single issue is possible.

The people generally think, of course, that the Cabinet sits with the President, gives him advice and helps him administer the Government. But the nine Cabinet officers are merely the operating heads of the Government departments. They are not familiar with the policies of departments other than their own.

The American Government needs to be streamlined. The American people should be able to hold the executive as well as the legislative branch accountable at the polls every two years or even more frequently if there is a major issue requiring an election. The entire Cabinet, as well as the leaders of the majority party in Congress, should share with the President the responsibility for policy-making. The people should be able at will to remove the Cabinet, the President, or Congress.

Such a system would mean better men in the executive group and an operating set-up which would be administered primarily by career men who are not beholden to political influences.

As matters stand today, we have no President except in theory. For it's a superhuman job. It is not organized in a way that permits one man to give anything but cursory attention to problems whose solution are of vital importance to this nation as well as to the world.

A constitutional amendment is imperative if the American Republic is to cope with the complex task of managing the national and international affairs of 150 million people.

It takes a brawny Scotsman for this HIGHLAND FLING

1 **"You can't beat a Scotsman** at the age-old feat of tossing the caber," writes a U. S. friend of Canadian Club. "The idea is to heave an 18-foot log to topple straight forward. At the Aboyne Highland Gathering I gave it a try...

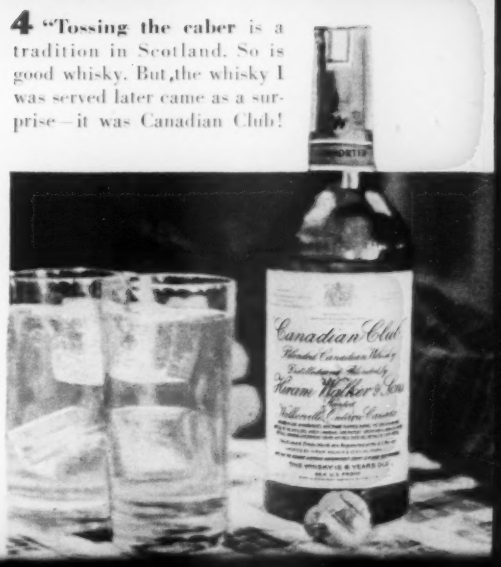
2 **"It took four good men** to stand the 200-pound caber up on its small end for me. I managed to get my hands underneath and boost it to waist level, but my toss brought hoots from the Highlanders.

3 **"I felt better** when the kilted giants themselves failed to achieve the required end-over-end throw. A foot had to be sawed off the big end before the contest could fairly begin. I just watched. Even when shortened, that caber still looked like a telephone pole to me.

4 **"Tossing the caber** is a tradition in Scotland. So is good whisky. But the whisky I was served later came as a surprise—it was Canadian Club!

5 **"The first caber** was a tree hewed from a Highland forest, I learned. Canadian Club, while more modern, has been popular here for generations."

Why this worldwide popularity? Canadian Club is *light* as scotch, *rich* as rye, *satisfying* as bourbon. Yet it has a distinctive flavor that is all its own. You can stay with Canadian Club all evening long ... in cocktails before dinner, and tall ones after. There is *one* and *only one* Canadian Club, and *no other* whisky tastes quite like it in all the world.



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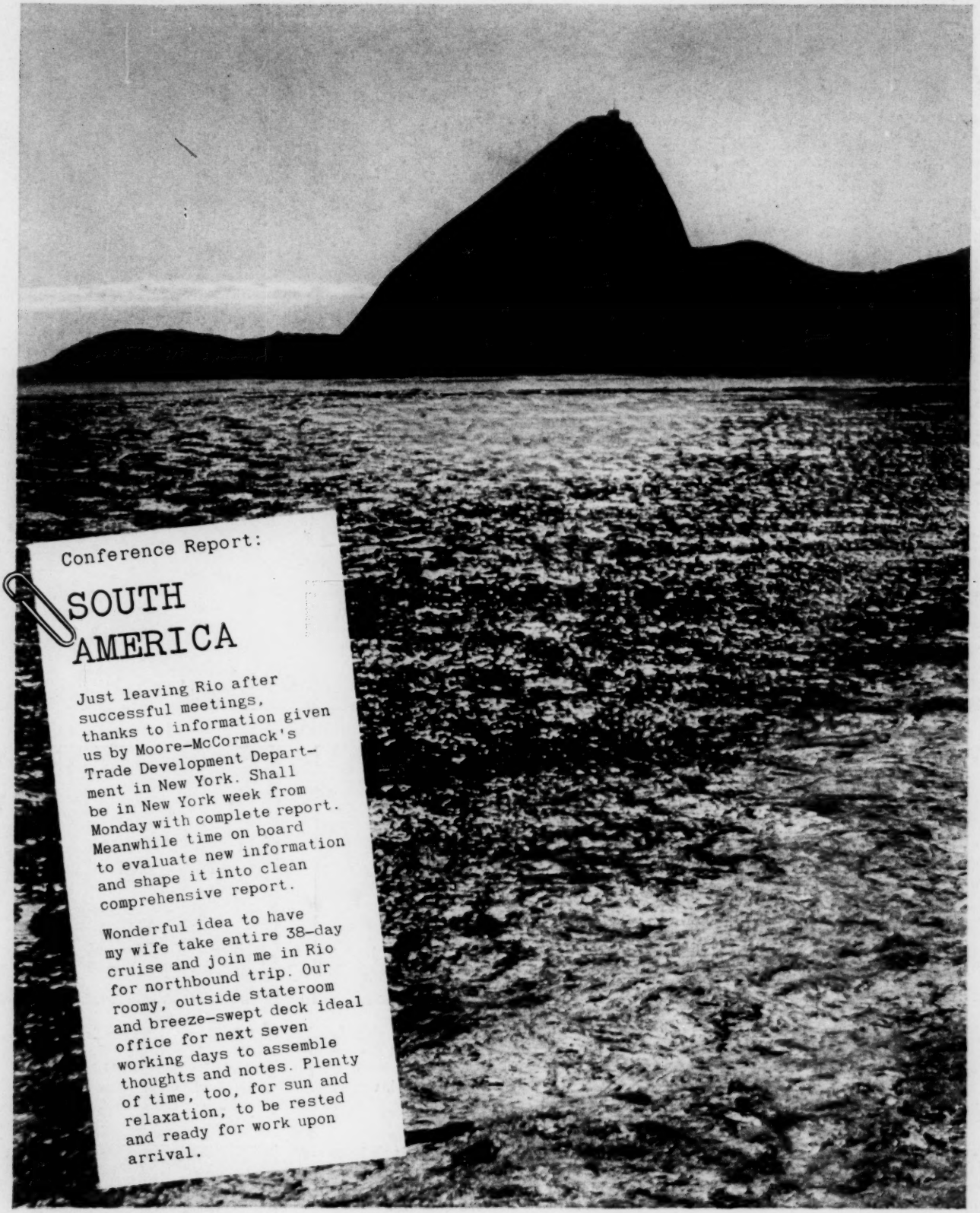
Conference Report:
SOUTH AMERICA
Just leaving Rio after successful meetings, thanks to information given us by Moore-McCormack's Trade Development Department in New York. Shall be in New York week from Monday with complete report. Meanwhile time on board to evaluate new information and shape it into clean comprehensive report.
Wonderful idea to have my wife take entire 38-day cruise and join me in Rio for northbound trip. Our roomy, outside stateroom and breeze-swept deck ideal office for next seven working days to assemble thoughts and notes. Plenty of time, too, for sun and relaxation, to be rested and ready for work upon arrival.

IF you're anticipating a South American business trip and would like to inquire about specific problems or possibilities, write our Trade Development Department, Five Broadway, New York City.

Over forty years of serving South America with freight and passenger service have taught us a lot. We'll gladly share our knowledge with you. So will our staff in Rio, Santos, São Paulo, Montevideo or Buenos Aires.

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